



Quarterly Magazine of The British Ukrainian Society

spectrum

Issue 1

1 December 2007

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With an Eye to 2010

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London Secretariat
Clearwater House
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London W1U 3AE
United Kingdom
Tel: +44 (0) 207 152 6172

Kyiv Secretariat
Yaroslaviv Val Str 29B
01034 Kyiv
Ukraine

Tel: +380 44 581 1687

www.britishukrainiansociety.org



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FROM THE CHAIRMAN

I am delighted to welcome you to the first issue of Spectrum, the quarterly magazine of the British-Ukrainian Society.

The British-Ukrainian Society seeks to promote friendship and understanding between Britain and Ukraine at all levels: cultural, political, educational, sporting, and commercial; and Spectrum reflects this mission. The Society is now well-established in London and in Kyiv and it is fitting that there should be a magazine to record its achievements. I hope that Spectrum will be of interest not only to existing Society members and supporters but also to a wider audience, who will be able to find out more about the Society's work on British-Ukrainian relations through its pages.

The ties between Britain and Ukraine are becoming stronger all the time - from the formal diplomatic relations of which we celebrate fifteen years in this issue, to business, cultural and political links. I welcome the variety of articles in Spectrum that reflect these links, including fascinating contributions from the distinguished historian, Dr Robert Conquest and from European Commissioner Andris Piebalgs, amongst other commentators, politicians and writers. I hope that you will enjoy, equally, the contributions on food, travel and art that are also contained here.

As well as covering British-Ukrainian relations in the round, Spectrum will report on the diverse activities of our members and on events that take place under the Society's banner. You will find more information about the Society's programme of forthcoming events in London and Kyiv on the Society website at www.britishukrainiansociety.org. I look forward to seeing you at one of our meetings in the future.

In the meantime, we welcome any comments you might have on this new magazine. Please write to us at editor@britishukrainiansociety.org or at one of the addresses on the facing page. If you are not already a member of the British-Ukrainian Society, I hope that I might persuade you to join. You can do so, and subscribe to our magazine, via our website.

Best wishes and z Novym Rokom!

Richard Spring
Chairman



Publisher

James Wilson

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Editorial Board

Anne Cahill, Romana Berezovska, Megan Burke, Nataliya Shpek, Jan Taljaard, James Wilson

Contributors

Richard Balfé, Gerald Bowers, Anne Cahill, Dr Robert Conquest, Vladimir Granovski, Cassandra Hancock, Boris Jonson, Ahto Lobjakas, Christina Maria Paschyn, Andris Piebalgs, Svetlana Sheveleva, Nataliya Shpek, James Wilson

Advertising Departments:

In Kyiv: Macmillan Ltd., +38 044 581-16-87

In London: British Ukrainian Society, +44 207 838 7010

Production & Design



Tel +44 2084 171 604 • design@pelicandream.com

www.pelicandream.com

Published by

Macmillan
Business Services



29B, Yaroslaviv Val, 01034, Kyiv, Ukraine - Tel.: +38 044 230-80-93

Director - Vitaliy Bogatyriov

Edited by



The British Ukrainian Society LLC., Clearwater House,
4-7 Manchester Street, London W1U 3AE, UK

Tel: +44 (0) 207 152 6172

E-mail: editor@britishukrainiansociety.org

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No. 1 of December 10, 2007. Published as of December 10, 2007.

State registration certificate: KB № 13338-2222P of 19/11/2007

Frequency: Quarterly - Circulation: 5,000

Free of charge for the members of the British - Ukrainian Society

Editor's office:

103 Avenue de l'Armée, B-1040 Bruxelles, Belgium

Printed in Kyiv by:

Morfo Didius Ltd., 12 Illinska St., of. 314, 04070, Kyiv, Ukraine

Tel.: +38 044 451-41-42



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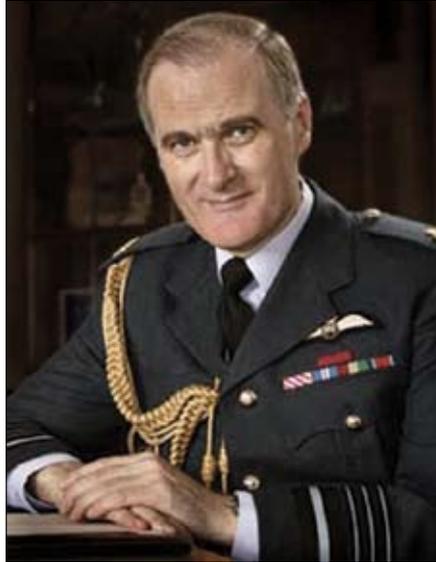
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Quarterly Roundup

UK-UKRAINE SECURITY

A delegation from the Ukrainian Armed Forces on an official visit to Great Britain in November discussed issues of regional security and develop-

Air Chief Marshal Sir Jock Stirrup. Their discussions included the preparation and participation of the two country's elements in peacekeeping operations, training of officers of the Rapid Reaction Force of the Armed Forces of Ukraine in line with NATO standards, and enhancing the interoperability of the Armed Forces of Britain and Ukraine.



Air Chief Marshal
Sir Jock Stirrup
Chief of the Defence Staff

IKEA IN UKRAINE

IKEA, the world's largest furniture retailer, has acquired a 20 ha site in Kyiv's Podollsk area for an estimated \$40 - \$ 80 million (£24.4 - 39m). It is finalising its second site near Odessa and has plans to open two other outlets in Ukraine all within the next two years.

The Swedish owned Dutch based company is receiving a \$100m (£48.8m) loan from the European Bank of Reconstruction and Development

ing bilateral military collaboration. The Chief of General Staff of Ukraine's Armed Forces, Commander-in-Chief Serhiy Kyrychenko, led the delegation that included top deputy commander of the Ukrainian Navy, vice admiral Viktor Maksymov, and commander of the 24th detached mechanized brigade of the 13th army corps Colonel Volodymyr Trunovskiy. Among those they met included UK



(EBRD). This is part of a \$414 (£202m) EBRD loan for the construction of four super commercial centres in Ukraine in which IKEA will be the anchor tenant.

UK STUDENT VISAS

Visas have just become cheaper for Ukraine students going to Britain for short-term courses no longer than six months and who do not wish to work. The cost will be 665 UAH (£65.80).



The demand for British student visas continues to grow with an increase of more than 16% in the first half of 2007.

JEWISH HERITAGE

President Viktor Yushchenko addressing the Israeli Knesset said Ukraine would protect its Jewish heritage. He has signed a decree to return 1,000 Torah scrolls to Ukraine's Jewish community confiscated during the Communist era while historic synagogues have been returned to Jewish communities. He had also given declassified documents to Israeli President Shimon Peres about the activity of Ukraine's Jewish community in the 1920s and 1940s and lists of the interned Jews killed in Ukraine's NKVD concentration camps between 1944 and 1954.

Kyiv Moyla Academy Lecture by Richard Spring



The British Ukrainian Society Chairman Richard Spring MP gave a public lecture to students at the prestigious Kyiv Moyla Academy on 5 October which sparked an enthusiastic debate on Ukraine's role in Europe.

One student questioned whether Ukraine was "cursed" by its geography – which Richard quickly contradicted, "No, you are blessed. Unlike the UK which has no natural resources left, and where British people have learned to live by their wits alone, Ukraine has wonderful resources, mountains, rich agricultural prairies, minerals the sea – and excellent universities and educational opportunities."

The Society will be organising more university lectures in future with speakers from different walks of life, including politics, law, journalism and economics.

The country's Security Service is to establish a special department to combat hate crimes and President Yushchenko has proposed legislation to criminalise the denial of the Holocaust.

The President asked Israeli Prime



Photo: Secretariat of Ukraine's President

Minister Ehud Olmert to endorse a UN resolution put forward by Ukraine recognising the Soviet-era contrived famine of 1932-33 – the Holodomor – as an act of genocide.

However this may pose problems for Israel that insists no act can compare with the Holocaust.

UK TOPS FOR FDI

A ten-year study of the Ernst & Young European Investment Monitor (EIM) shows the UK has held first position in inward investment with an overall share of 23% of projects in the last decade. It generated 5,539 projects since 1997, 43% more than France

and 200% more than Germany. Mark Otty, Chairman of Ernst & Young said, "The UK and London, in particular, remains an appealing destination for inward investment to Europe. A skilled workforce, a world-class services sector, location and language have all helped the UK out perform the rest of the continent in attracting foreign capital over the last decade."

France with its ability to attract manufacturing investment has remained the second most attractive destination for FDI.

KYIV CHAMPAGNE SALE

Leading German wine producer Henkell & Sohnlein has boosted its holding in Ukraine's largest champagne producer to 51.9%. Kyiv-based Kyivsky Zavod Shampanskich Vyn Stolitschniy produces 16 million bottles of Sovetskoye and Ukrainskoye champagne annually, which is a 25% share of the Ukrainian sparkling wines market. In 2006 it made just over \$20 m (£9.76) and increased its production by 9%.



Henkell & Sohnlein now has major stakes in the sparkling wine market leaders in Austria, Hungary, the Czech Republic, Slovakia and Romania and four other European countries with worldwide sales of 133 million bottles and revenues in 2006 of \$738 m (£360m).

UK - Ukraine Trade

Ukraine export of services to UK Jan-June 2007:

- Transport (71.4%)
- Business and professional services (14.1%)
- Travel services (3.3%)

British export of services to Ukraine:

- Financial services (39.4%)
- Business and professional services (23.3%)
- Transport (15.6%)
- Building services (9.0%)

Ukraine trade exports to UK Jan - Sept 2007:

- Oil (25.3%)
- Semi-finished materials from iron and steel (10.8%)
- Pipes and tubes from copper (6.1%)
- Raw aluminium (5.6%)
- Insulated wires, cables (5.6%)

Leading British trade exports to Ukraine:

- Transport means (25.6%)
- Remedies (5.5%)
- Self-moving bulldozers (3.5%)

UK investments in Ukraine:

Investments worth \$1,796.8 million in 2007 (2006:\$1,174.8m) from UK to Ukraine are 7.4% of the total, and involve 929 different firms.

Distribution of investments:

- Industry (33.8%)
- Wholesaling (12.7%)
- Real estate activities (15%)
- Transport and communications (10.6%)

Major UK businesses in Ukraine:

- Shell Energy Ukraine;
- JKX Oil and Gas;
- CADOGAN Petroleum;
- Regal Petroleum plc;
- British Tobacco;
- GlaxoSmithKline;
- Cargill Europe.

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by Vladimir Granovski

BACKGROUND

The pre-term elections to the Ukrainian parliament took place on the initiative of the President of Ukraine, Viktor Yushchenko. The official reason for the elections was that deputies had moved 'illegitimately' between parliamentary parties, although such moves were not prohibited by the Constitution or by Ukrainian laws. The political reason however, was more significant. The Party of the Regions (PoR) had begun to form a constitutional majority and the President saw in this an attempt to monopolise the process of constitutional reform and to weaken his power.

A stand-off between the President and parliament lasted several months from April 2007. The outcome, however, was that the President succeeded in convincing his political opponents of the necessity for pre-term elections.

At the same time, the social and political forces in the country agreed that they would not bring in qualitative changes to the system of power. It was also clear that pre-term elections would not allow the PoR to create its own Constitution and that in any pattern of election results Viktor Yanukovich would lose his post as Prime Minister. As far as the President is concerned, he has managed to halt the processes he found undesirable, but has not yet succeeded in generating a base for his victory at the next presidential elections.

RESULTS

The pre-term elections to the Ukrainian parliament took place on 30th September 2007. But they did not introduce any cardinal changes to the arrangement of political forces in Ukraine. The only unexpected aspect was the

Instability Remains:

Vladimir Granovski believes President Viktor Yushchenko has reduced his chances

of winning a second term as President

Party	Result	Seats in parliament
Party of the Regions	34.37%	175 seats
Yulia Timoshenko Bloc Nasha Ukraina [Our Ukraine]	30.71%	156 seats
People's self-defence	14.15%	72 seats
Communist Party of Ukraine	5.39%	27 seats
Litvin Bloc	3.96%	20 seats

high polling of the Yulia Timoshenko Bloc (BYuT) although so far the success of the BYuT has been of greater significance for relationships within the 'orange' coalition, where there is internal competition between BYuT and the pro-President Nasha Ukraina / Our Ukraine (NU) and a struggle taking place for the same electorate.

The outcome of the election in terms of percentage vote and resulting seats, is shown in the table above.

PARLIAMENTARY COALITION

It is obvious that the President of Ukraine faces a serious dilemma – on the one hand he has managed to hold on to power but, on the other hand, as a consequence, the problems remain.

So what does the President need today? He needs a Government headed by a supporter rather than by a political rival.

With a government that includes an 'orange' coalition between the BYuT and NU, Viktor Yushchenko will definitely be deprived of the opportunity to introduce changes to the Constitution that relate to the distribution of powers

between president and parliament. The reason lies in the opposition to be expected from BYuT, which in the previous parliament, for example, voted directly for the new wording of a law relating to the Cabinet of Ministers in which presidential powers were restricted.

Viktor Yushchenko also now finds himself with a direct competitor at the next presidential elections – and no weaker a contender than the former Prime Minister, Viktor Yanukovich. At the same time the post of Prime Minister, for Yulia Timoshenko, will become a platform for her election campaign in 2009. Specifically, the whole historical experience of Ukraine bears witness to this – the post of Prime Minister is the only office in the power structure of Ukraine that generates a nationwide rating for Ukrainian politicians. By comparison, the rating of politicians in the post of President has had a tendency to decline up to now, and in the post of Speaker the rating has stayed substantially unchanged.

Finally, as a result of a democratic coalition being formed in the Ukrainian parliament, Viktor Yushchenko would not get 'his own' government because

his views on the management of the country are a long way from the position of Yulia Timoshenko. He remains at the helm of a country which is divided not on the 'power-opposition' principle, but rather on the 'east-west' principle with the 'western' politicians in power and the 'eastern' ones in opposition.

It is difficult for the President to support the creation of a 'broad' coalition including NU, the BYuT and the PoR because the majority of his supporters do not like the idea of a coalition with the PoR. In the event of a broad coalition the President may get both a majority in the government and a possible opportunity to seek a compromise on changing the Constitution, but the likelihood of such a decision on his part is negligible.

Today the only people who talk about the possibility of a broad coalition are those with the boldest political designs, since the consequences of such a combination is difficult to calculate, because of the political and the economic disagreements between the leading political forces.

The ideal outcome for the President would be a coalition in which 'Nasha Ukraina' participated, and in which the Prime Minister was a politician ideologically close to the President. In this situation Viktor Yushchenko's ideological platform - Ukraine joining WTO, NATO and the EU, market liberalisation and fighting corruption - would be transformed into a central and, most importantly, common idea shared by the President and Cabinet of Ministers.

CONCLUSION

Whatever the President's decision and whatever the type of coalition, there remain grounds for saying that among the main political forces there is so far no general agreement on the future mechanism of power in Ukraine whether the country should be a presidential or a parliamentary republic. As a result there are likely to be further attempts to find a compromise that suits everybody while at the same time new political conflicts will be spawned.

Regardless of the President's decision, immediately after a government is formed it will be possible to talk about a presidential campaign beginning in Ukraine. The main contenders for the



Photo © Secrechar of Ukraine's President

President Viktor Yushchenko and his wife Kateryna cast their votes with confidence

post of President are Yulia Timoshenko, Viktor Yushchenko and Viktor Yanukovich (in alphabetical order), and the candidate with the slimmest chance of victory remains the current President of Ukraine. Considering the present balance of political forces in Ukraine, any hope that the constitutional contradictions will be removed before the presidential elections in 2009 is extremely faint.

The so-called 'political instability' or, the term that is often used – 'political crisis' of recent months exerts no direct influence on the Ukrainian economy, which is showing a steady growth trend. Political risks for foreign investors remain relatively problematic, although this situation gives the advantage to Ukrainian capital, which is being actively invested today in all sectors of the Ukrainian economy.





Photo © Secretariat of Ukraine's President

Diverse Views on a Mixed Outcome Panel Discussion

The Presidential election in two years time was very much the backdrop for this year's parliamentary elections, and as a result analysts' attention has been focused on it even before a government was formed.

Who is involved in the new government – a decision the president Viktor Yushchenko is central to – will influence the outcome of the Presidential election in January 2010.

This was one issue that a diverse group agreed on during a panel discussion on the Ukrainian elections in London just nine days after the voting and before the government was finally formed.

They agreed that the next election – for a new president – was likely to see many of the same players getting the headlines as Yulia Tymoshenko, the incoming prime minister, and Viktor Yanukovich, the outgoing premier, are expected to contest the position and Yurii Lutsenko could also play a role.

The role of Russia and the West which was so much in evidence during the vote two years ago was much more muted or disguised this time round, the panel believed. There were of course some political advisors from Washington in evidence but little evidence of Russian interest, except for the occasional unguarded comment from the Russian ambassador to Kyiv.

Outside agencies such as Ukraine's relationship with the European Union or NATO of course were factors in the election. Gwendolyn Sasse noted that voters responded positively to references to the EU but negatively to NATO.

Despite the interest of the electorate evident in the reasonable turnout one of the panellists Valerii Chalii said much of the population in reality did not have a genuine choice of candidates available to them.

The Ukraine Ambassador to Britain,



BUS panel discussion on the Ukrainian elections was held in Church House, Westminster, October 9 2007 and was sponsored by KPMG.

Ihor Kharchenko, compared the way in which the voting and the counting were carried out this year with Soviet times. There was a significant improvement in the validity of the process especially when contrasted with the artificial results of former years, he said.

The parties' platforms, Oleksei Solohubenko, pointed out were different in a number of ways from previous elections even though some of these changes were more subtle nuances rather than dramatic alterations. Mr Yanukovich no longer spoke of federalism for instance, he said.

Turning their minds to the future the panel debated the need for the new

government to establish its independence over the coming months and years. British MP Stephen Byers who chaired the discussion said the elected members would have to gain political experience in building and running a meaningful and productive government.

The many issues raised by the audience included where the oligarchs stood in relation to the election results, the current and future status of the Crimea and the likely constitutional settlement reintroducing balance between parliament, president and judiciary.





FROM LEFT TO RIGHT: **Mr Olexiy Solohubenko** – Executive Editor, Europe, BBC World Service / **HE Dr Ihor Kharchenko** – Ambassador of Ukraine / **Valeriy Chaly** – Deputy Director General, Ukrainian Centre for Economic and Political Studies (UCEPS) / **Dr Gwendolyn Sasse** – Professorial Fellow, Nuffield College, University of Oxford / **Dr Andrew Wilson** – Senior Lecturer in Ukrainian Studies at the School of Slavonic and East European Studies (SSEES), UCL. / **Stephen Byers MP**



John Grogan MP, (left), Chairman of the All Party Parliamentary Ukraine Group talks to participants



H.E. Ihor Kharchenko, Ambassador of Ukraine in the UK, was one of the panellists



by **Richard Balfe**

Boring but Properly Conducted Election as Ukraine Heads for Normality

It was a small village in the east of Ukraine, about eighty kilometres from Donetsk, a large steel town in the east, where I met a Mayor on the afternoon of polling day. He summed up the Ukraine election very succinctly. "I hope the politicians are as sensible as their voters," he said. That for me encapsulated what happened in the recent Ukraine parliamentary election.

I was there in 2004 and witnessed the intimidation and the electoral malpractice that accompanied that election, but this time things were quite different. Of course there were lots of complaints - there are lots of complaints in every country at election time, but the complaints were of the standard sort; that one party or the other was gaining an advantage, that the electoral lists were not compiled quite fairly or quite fairly enough.

What was missing this time, completely missing, was the air of intimidation and crisis evident three years ago as this time people went about their business and, unhindered, went to vote. I talked to representatives of all the political parties before Election Day and on the day itself I spent twenty-two hours from 5am until 3am the next day visiting polling stations and meeting people connected with the election. We ended by witnessing a count in a small town that was efficiently conducted by the largely female counting staff who were mostly teachers from the local school. The overall impression was of a rather boring but quite efficiently conducted election.

On the day the polling stations we visited in Ukraine were remarkably similar to those in western Europe with a few people queuing to vote, a group of people behind tables ticking off voters on electoral registers, people then going into the polling booth and privately marking their paper before dropping it into a box. It was all rather



Election workers prepare ballots for voters

unremarkable - which was the most remarkable thing, especially given that the situation was the same throughout the country where the election was judged to be fair and reasonable.

In the polling stations themselves there was an air of overall efficiency. All of the ones I visited had multi-party representation within them and again they were remarkably similar to western European stations. There was a bit of edge between the competing parties but overall an acceptance of the system and an acceptance of the fact that the election was being conducted fairly.

If Ukraine maintains these standards election observers like me will not be required to monitor their elections in the future.

They have joined the family of western nations that know how to conduct their elections properly. It is a pity that their politicians in Kyiv cannot behave with quite the same composure as

their voters, but, like the Mayor I quoted earlier, I hope that those elected will serve their constituents with the same high standards their electorate showed on voting day.

About the Author

Richard Balfe was a Member of the European Parliament for London for 25 years to 2004. Originally a member of the Labour Party he left and joined the Conservatives in protest over then Prime Minister Tony Blair's policies in 2002.

He now runs a consultancy and mediation service:
www.balfes.com



UK Launch

"The importance of the relationship between Ukraine and Britain is becoming more evident each day. With the current events in Ukraine, the foundation of the British Ukrainian Society provides a timely opportunity to increase helpful dialogue and links between the two nations". - Richard Spring MP, British Ukrainian Society Chairman



John Grogan MP (BUS Director) left
Irina Tymczyszyn (BUS Director) centre



Richard Spring MP (BUS Chairman)
and Azra Zakir (BUS Head of Secretariat)



Sergiy Kruglyk (BUS Director) centre
Robert Shetler-Jones (BUS Director) right



Anthony Fisher



Guests at the launch reception



Guests at the launch reception

The launch of the British Ukrainian Society took place on the 17th April with a champagne reception at The Arts Club, 40 Dover Street, London W1.

Summer Reception

The All Party Parliamentary Ukraine Group held their summer reception on the 18th June in the Attlee Suite, Portcullis House, House of Commons.



(left to right)
Geoff Hoon MP, Minister of State for Europe
H.E. Ihor Kharchenko, Ambassador of Ukraine
John Grogan MP (BUS Director)



John Grogan MP
Welcomes the guests



Guests were entertained by the Ultimo String Trio



After John Grogan had welcomed the guests, there were speeches from The Rt Hon Geoff Hoon MP, Secretary of State for Europe, and from H.E. Ihor Kharchenko, Ambassador of Ukraine. Among the guests were Members of Parliament and Peers, diplomats from the Ukrainian Embassy in London, the Chairman and Associate members of the British Ukrainian Law Association, academics and students from the London School of Economics, from the School of Slavonic and East European Studies at University College London, and from Cambridge and Oxford Universities. The guests were entertained by the Ultimo String Trio.

Kyiv Launch

The British Ukrainian Society celebrated its launch in Kyiv with a champagne reception at the Dnipro Hotel. Guests included the Foreign Minister Arseniy Yatsenyuk, former Foreign Minister Borys Tarasyuk, British Ambassador Tim Barrow, EU Ambassador Ian Boag and senior representatives from the British Council.



Kyiv Mohyla Academy

Society Chairman Richard Spring MP gave a public lecture to students at the prestigious Kyiv Mohyla Academy on 5 October 2007, which sparked an enthusiastic debate on Ukraine's role in Europe.



Richard Spring MP (BUS Chairman)
Being shown around the Academy



Richard Spring MP
Addressing the students



Richard Spring MP



One of the students asks a question



Richard Spring MP
Answering questions from the students



Richard Spring MP *left*
Professor Valentin Yakushik, *right*
Kyiv Mohyla Academy

British Ukrainian Society events:

20 November: Sir Nicholas Soames gave the inaugural Yalta Memorial Speech for the British-Ukrainian Society, in the Attlee Suite in Portcullis House, Westminster. He was introduced by Richard Spring MP, the Society's Chairman. The speech was well-attended with over 100 people filling the room. After listening to the speech the audience retired to a neighbouring room for drinks, canapés and conversation. The full text of Sir Nicholas' speech is available on the British Ukrainian Society's website www.britishukrainiansociety.org as are photos of the event. Both can be found under 'Events'.

21 November: Ukrainian choir "Boyan" gave a concert in London at the Chapel of the Royal Hospital Chelsea under the batons of Yuri and Volodymyr Kuratch. The ensemble performed liturgical chants from the Eastern Orthodox rite in the first half and Ukrainian folk songs in the second. These last were accompanied on occasion by the Ukrainian stringed instrument known as a bandura, or by the accordion. This was the last performance in Boyan's sixteenth tour of Britain and every seat was occupied. The choir were rewarded for their efforts with a standing ovation.

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by Ahto Lobjakas

As its relations with Russia hang in the balance, the European Union has begun to look outside that country for its natural gas. Currently, the EU consumes three times more oil than gas, but projections made by the European Commission suggest the two may reach parity in less than 20 years.

Looking beyond the familiar ports of call of North Africa and Norway, the EU has awoken to the resources to be found in Central Asia. The key country in this area is Turkmenistan which has a strategic position on the eastern shore of the Caspian Sea and massive gas reserves.

Formerly one of the world's most secretive countries, Turkmenistan has been showing signs of interest in the outside world since the death of its long-lived ruler, the eccentric Saparmurat Niyazov last year. The new president, Gurbanguly Berdymukhamedov, was in Brussels in the first week of November, and the EU's energy commissioner Andris Piebalgs was scheduled to travel to Ashgabat in the middle of the month. Javier Solana, the EU's High Representative, was in Turkmenistan in October.

This flurry of diplomatic activity is a product of EU hopes of building a pipeline across the Caspian Sea from Turkmenistan or Kazakhstan to Azerbaijan, from where the gas would proceed across existing networks to Turkey. Once in Turkey, the gas would be extracted by the EU through a planned pipeline, 'Nabucco', that will run from that country to Austria. The EU, lukewarm on both the trans-Caspian and Nabucco projects for many years, now appears to have decided it is time for action.

The EU will not directly finance either pipeline, but officials privately say they have secured assurances from interested companies that funds will be found for the trans-Caspian venture. The Nabucco pipeline has already been underwritten by a private consortium.

To get things off the ground, however, the EU needs to secure the cooperation of Turkmenistan and Kazakhstan in building the trans-Caspian pipeline, and to establish how much gas precisely they are able to export. The Turkmen leader arrived in Brussels encumbered by prior commitments – his country is under obligation to deliver 80bn cubic metres of gas annually to Russia's Gazprom (Russia, incidentally, currently exports around 150bn cubic metres to the EU annually) and 30bn from 2009 onwards to China. In addition, the United States has announced its support for a new 10bn cubic metre pipeline southwards via Afghanistan to the Pakistani coast. While this last plan seems more than a little optimistic, existing Turkmen commitments are formidable.

While in Brussels, Berdymukhamedov told EU officials that he welcomes Western venture capital in Turkmenistan. He claims his country's gas reserves include a giant new Lolotansk field containing up to seven trillion cubic metres of the fuel. The EU, meanwhile, estimates the country's total gas reserves at rather less. But even so, the quantities are sufficient to kindle serious European interest in developing access to the Turkmen gas fields.

Turkmenistan is making no secret of the fact that its interest in a rapprochement with the EU is inspired by hopes of material gain. Gazprom is currently paying Ashgabat 100 US dollars per 1,000 cubic metres, Berdymukhamedov is reportedly angling for 150 or more. This, more than anything else, explains why a May 2007 deal struck between the Turkmen, Kazakh and Russian heads of state to develop major new transit pipelines through Russia has stalled. Brussels has told Berdymukhamedov that once alternative transit infrastructure is in place, he can expect to receive a market price for his gas.

Wooing Turkmen Gas



Turkmen President
Gurbanguly Berdymukhamedov

As a country with ties running east and west, Ukraine has a role to play in these gas market developments. On the one hand, Ukraine is engaged in gas negotiations of its own with Turkmenistan as it relies on Turkmen gas for some of its own supplies. On the other hand, the country benefits from being a staging post for gas travelling westwards to the EU and therefore has a direct interest in the proposed Nabucco and trans-Caspian pipelines; and just as these projects would change Russia's

Turkmenistan could be central to future energy requirements for Britain and Ukraine

Britain's New Agreement with Turkmenistan



Photo © Secretariat of Ukraine's President

The British government signed a memorandum of understanding with Turkmenistan in November that should improve access to one of the world's largest reserves of natural gas.

Britain is the largest producer of natural gas in the European Union but after years of being a net exporter of both oil and gas, the UK became a net importer in 2004.

The recently signed agreement should open the way for British industry to extend its interests in the country that has the 13th largest proven gas reserves in the world.

Currently just two British companies, Burren Energy and Dragon Oil, are involved in producing oil in the country, both in the Caspian Sea area.

The UK imported about 15% of its natural gas requirements last year, some of it through the gas pipeline from Russia and Turkmenistan through Ukraine via an inter-connector between Bacton, England and Zeebrugge in Belgium.

This inter-connector opened in 1998 and until mid 2005 was used to export natural gas from Britain to continental Europe. For the past two years it has also used also to import gas.

Roughly 80% of Russia's gas exports to Western Europe go through Ukraine pipelines with about 120 billion cubic meters a year flowing west across Ukraine.

Currently Russia takes more than 70% of Turkmenistan's gas to supply its customers that now includes Britain.

centrality to the gas trade, they could also bring into question Ukraine's role as an intermediary in gas deliveries.

The EU is currently finalising two 'feasibility studies', which look at potential routes for the trans-Caspian pipe line. Turkmen, Kazakh, Azerbaijani and Georgian officials met their EU counterparts in Brussels on November 23 to discuss the results. A meeting is expected to follow next year to confirm the participants' intentions to proceed with the project.



	Turkmenistan:	Great Britain:
Area:	488,000	244,000
Population:	4.86 million	60.7 million
Capital:	Ashgabat. 462,000 pop.	London. 7.8 m pop.
Religion:	Muslim 89%	Christian 71%.
GDP per capita:	\$5,800.	\$31,800.
Life expectancy:	61 years.	78.7 years.
Oil reserves:	13th in world	34th in world.
Oil production:	10th	7th
Gas exports:	6th.	16th.



by **Andris Piebalgs**

EU Commissioner for Energy

Integrating Ukraine Into Europe's Energy Markets

The EU needs a response to the challenge of increasing energy demand and declining oil and gas reserves. Reinforced co-operation with Ukraine is a key element of our considerations in this respect.

The Memorandum of Understanding on co-operation in the field of energy that was signed on 1 December 2005 constitutes a good basis for working together. It recognises that the EU and Ukraine face common energy challenges. Indeed, issues such as the diversification of energy supplies, nuclear safety, energy market reforms, energy infrastructure and the promotion of a more sustainable energy sector are key concerns for both parties.

The Memorandum establishes a joint strategy towards the progressive integration of the Ukrainian and the EU energy market. It consists of road maps covering four specific areas: nuclear safety, integration of electricity and gas markets, enhancing security of supplies and the transit of hydrocarbons and improving the functioning of the Ukrainian coal sector.

Another important issue related to gas is security of transit through Ukraine, which is an important transit country for deliveries of gas to the European Union. The MoU addresses this issue and provides for the establishment of a joint EU-Ukraine technical support Group to develop and suggest concrete measures in this area.

It also foresees the development of a roadmap on energy efficiency, renewables and measures to tackle climate change. With respect to electricity, the Memorandum of Understanding addresses two important areas: Nuclear safety and the integration of the Ukrainian electricity market into that of the EU.



**Ukrainian Minister for Fuel and Energy Yuriy Boyko met the
EU Commissioner for Energy Andris Piebalgs**

I would like to underline that both areas are closely interlinked: To strengthen public confidence in the benefits of enabling trade in electricity between the EU and Ukraine, Ukraine must meet internationally recognised nuclear safety standards.

I am therefore pleased that Ukraine and the EU underline in the Memorandum that safety of nuclear installations is a primary objective for both parties. Rapid progress is necessary in this area, in parallel to the necessary work on market integration.

Integration of electricity markets requires the implementation of key elements of Community rules on electricity. A level playing field with respect to the rules prevailing in all parts of the wider market will facilitate the development of substantial trade between the EU and Ukraine.

As regards the framework for a future participation of Ukraine in the internal electricity market, the joining of Ukraine to the Energy Community will be the appropriate solution.

The Energy Community creates a common regulatory space surrounding the EU and promoting effective energy collaboration between the EU and its neighbours. The electricity and gas markets of the Energy Community will be organised on the basis of European Community rules including environmental and competition rules. Against this background, the MoU provides for Ukraine to align its legislation with the relevant Community rules as envisaged under the Energy Community.

I am aware that this is an ambitious objective. I am however confident



“There is a vast number of areas in which co-operation will provide mutual benefits for Ukraine and the rest of Europe...”



that it can be met, provided both the Ukrainian government and industry are strongly committed to this process. Already under previous governments important first steps towards market reform have been taken, such as the creation of a regulatory authority. I can only encourage you to further pursue this work.

Apart from equivalent market rules, trade in electricity requires a reliable physical interconnection. At the moment only a minor part of the Ukrainian electricity system is connected to the EU system. The establishment of an interconnection between the system operated by the Union for the Co-ordination of the Transmission of Electricity (UCTE) and the Ukrainian grid system will thus be necessary. A comprehensive study, co-financed by the Commission, is currently ongoing to look at possible options of linking the synchronously interconnected CIS electricity system with the UCTE system.

I know that the objective of Ukraine is to become a full member of UCTE. This would probably require some significant upgrading of the Ukrainian system to meet UCTE standards. I understand that experts from both UCTE and Ukraine are looking at this issue, in line with the usual procedure following a request for membership in UCTE. This process will be supported by technical assistance under the TACIS programme of the EU.

Ukraine is also playing a crucial role in gas. The MoU and indeed the Energy Community cover both electricity and gas market reform and integration. Progress in reforming gas



Photo © iStockPhoto

Europe from space: lighting up the sky

markets is necessary for the development of a competitive electricity sector. Gas is becoming increasingly important as input fuel for electricity production and a real market for electricity requires fair and equal access to all input fuels.

There is a vast number of areas in which co-operation will provide mutual benefits for Ukraine and the EU. Since the signature of the Memorandum of

Understanding in 2005 both parties have walked a long way together. With the further integration of Ukraine into the Energy Community energy markets will be closer than ever. A constructive attitude, and open mind, and the will to find common approaches through dialogue have shown the way that our bilateral energy relationship has to follow in the future.





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by Christina Maria Paschyn

In the Land of Kilts: A Look at the Ukrainian Diaspora in Scotland

Take a trip to Scotland and you'll most likely visit the usual tourist sights: the monumental Edinburgh Castle, the rugged Scottish Highlands and a mysterious loch or two.

For a night out, you'll probably order a pint at the Frankenstein theme pub in Edinburgh or dance until the wee hours of the morning at one of the many posh clubs in Glasgow.

But some weeks ago a different sort of attraction lured a group of English and American tourists to the land of kilts, where they spent their Friday night at an obscure pub in need of redecorating: the Edinburgh Ukrainian Club.

"Travelling to all the foreign countries and seeing the Ukrainian clubs in London and in Edinburgh, we kind of joke that it's all the same '70s vinyl furniture that we have at home," said Taras Jaworsky, a 47-year-old Ukrainian American from Chicago.

To be fair, Mr Jaworsky and his fellow Ukrainian diaspora members did not fly thousands of miles to Scotland just to drink at the country's only Ukrainian hub – although its one pound beers certainly didn't deter them. Dressed in bright yellow Ukraine football shirts and traditional Ukrainian costumes, they had come to watch the Ukraine national team play against Scotland in the UEFA Euro 2008 qualifying football match on October 13th.

Scotland beat Ukraine 3-1 but for 23-year-old British Ukrainian, Chrystyna Chymera, the game's disappointing result was salvaged by the warm hospitality of Edinburgh's Ukrainian diaspora community.

"We went to Germany for the World Cup [to follow the Ukrainian national team] and the Ukrainian community there did nothing for us - the Ukrainian fans. But here they made sure we were

taken care of," said Ms Chymera from London, who wore a red-embroidered blouse and a colourful "vinok" or head wreath on the day of the match.

"Maybe it's just because it was such a big opportunity for them to build their community. It's been falling by the wayside because there aren't enough Ukrainians in Edinburgh to sustain it, so it's like their big selling point to get more Ukrainians to get involved," she said.

Second-generation Scottish Ukrainian Alex Demianczuk hopes that last month's festivities have re-ignited the ethnic pride of Edinburgh's lapsed Ukrainians. The 28-year-old from Edinburgh - who often dons a blue-and-yellow kilt at football matches to show just which team he supports - spent six months organizing match tickets and planning a "zabava" or dance for the visiting Ukraine supporters.

"There aren't that many young people in the community, so we need to attract them," said Mr Demianczuk, who is also the club secretary of the Association of Ukrainians in Great Britain (AUGB), Edinburgh branch. He hoped the advertising for the game and the dance afterwards would encourage newcomers to become involved in the club, and entice those who have fallen away to become interested again.

Yet despite all of his hard work, Mr Demianczuk has little confidence that his efforts will keep the Edinburgh diaspora alive and thriving.

"There are too many people within the community who come along when we have an event, but that is it," he explained. "They do not wish to support the community in other ways and there are also not enough who wish to work for the community."

Recent Ukrainian immigration to Scotland has also failed to boost the community's numbers. According to statistics compiled by the Edinburgh Ukrainian Club, about 400 new wave Ukrainian immigrants currently reside in Scotland, a tiny number compared with the 85,000 Ukrainian immigrants that the International Organisation for Migration estimates live in London.

Even more depressing, only about a hundred Ukrainians actively participate in the community by attending Ukrainian church services, youth group activities or club meetings. That figure includes both fourth wave immigrants and second-and third-generation Scottish Ukrainians.

"It makes me feel sad to think that we could lose what we have here, especially as our parents and grandparents did everything they could to build



Alex Demianczuk, 2nd generation Ukrainian Scot



Chrystyna Chymera wearing her 'Vinok'

a community here for us," said Lesia Demianczuk, 30, who is Mr Demianczuk's sister.

"There are only about eight to ten young adults and a handful of young children who participate in the community on a regular basis," she lamented. "In the next 10 to 15 years, it's hard to say whether the community will still be here."

It wasn't always like this. Ms Demianczuk said the Ukrainian community in Scotland once resembled many of the diaspora communities in England and America.

They had it all: a Ridna Shkola (school of Ukrainian studies), a Ukrainian dance troupe and a SUM Club (Ukrainian Youth Association). But low numbers forced all three to close years ago.

Nevertheless, third-generation Scottish Ukrainian Joanna Kerr thinks the Scottish Ukrainian diaspora has the potential to bounce back.

"There are a lot of things that can be done," said the 23-year-old from Galashiels. "Like giving the Ukrainian Club a

wee lick of paint would do for a start. I think some general fundraising would boost the financial aspects of the club and allow the opportunity for improvement."

Her 22-year-old brother, Michael, agreed and said many would like to keep the community alive.

"Hopefully the profile of Scottish Ukrainians can be raised enough to keep it active. The Edinburgh community does have a small but thriving membership that does put on several events a year, however these are quite low key and only regular members attend."

But he believes that events like the Scotland-Ukraine game show that Scotland still knows how to put on a zabava and he says that people will remember that. "Hopefully this can be built on, and if more grand scale events are put on then it would give more funds that would help sustain the club", said Mr Kerr.

Yet while Scottish Ukrainians may see room for improvement in their community, the Ukraine football fans that

descended on Edinburgh were much more positive.

"I really have to give big kudos to Scotland," said 41-year-old Ukrainian American Andriy Futey from Cleveland. "They are probably the smallest in numbers and it was a large burden, but they really did a fantastic job."

For Mr Demianczuk that comment is proof enough that even amidst a thinning population, Scottish Ukrainians will never lose their ethnic and national pride.

"For me it's a mixture of the two greatest nations in the world! I am always proud of being Ukrainian. And although it's not an independent nation, I have always been proud to say I'm from Scotland."

So with his Ukrainian kilt in tow, Mr Demianczuk will continue to promote his unique heritage, hoping that his fellow diaspora members will follow suit. "It is a part of who I am. I was brought up in the Ukrainian way, and I will try to continue it."





London's largest free winter event, the Frost Fair, celebrates its fifth anniversary this year and offers a magical way to see the city as it sparkles and glitters in the glow of the festive season.

It celebrates a time when Londoners used to skate on the frozen Thames over hundreds of years ago.

Ice-skating and the activities that go along with it including hot chocolate, mulled wine, roasted chestnuts or even a coup of champagne have become very popular in London over the last few years.

They have led to every part of the city having its own ice rink, some of them in truly spectacular locations, under the gaze of historical monuments or sheltered by the walls of wonderful old buildings including those of Royal Palaces.

The winter season really kicks off with the Frost Fair that takes place outside the Tate Modern and Shakespeare's Globe along the Thames from 14–16 December. The opening is spectacular with an old-fashioned lantern parade of over 300 children from local schools on the Friday evening.

On Saturday the Traditional Thames Cutters race is on the River with a procession from the City to Bankside's own pier. The best view of this is from the Millennium Bridge.

The Fair offers something to keep all the family happy - hug a husky and take a husky sledding ride; listen and sing along to your favourite Christmas tunes with London's best bands and choirs; watch skilful sculptors bring blocks of ice to life; enjoy some great street theatre including performances by the Snowman and the Snow Queen and participate in workshops.

Shakespeare's Globe also opens its doors for the Frost Fair – it's home to the Christmas market where you can pick up all your Christmas gifts. There's also

Gliding through London

Dust off those skates and enjoy a winter wonderland



In the footsteps of Henry VIII at Hampton Court

a drinks marquee serving mulled wine, ale and festive food to keep you warm.

On your way to the fair, look out for a special grey slate Frost Fair mural by local sculptor Richard Kindersley under Southwark Bridge.

But don't take off your skates yet. There are lots more rinks to discover. Here we list some of them starting with Somerset House whose rink is open until 27 January.

This grand 18th century stately home in the centre of London is one of the capital's most glamorous ice rinks. A magical Christmas tree stands at the top of the huge rink, and if you don't want to skate, you can watch from the viewing platform. Afterwards, enjoy great food, cocktails or a delicious hot chocolate with marshmallows at the Skate café.

Then there is the National History Museum rink open until 20 January.

TOWER OF LONDON

Ice Rink



Photo © PAUL SWINDELL MEDIA

Family fun at the Tower of London: a far cry from its chilling past

Once you've explored the history of dinosaurs, get your skates on and enjoy the 1,000sq m ice rink in the museum gardens. There's a junior rink for younger skaters, ice marshals on hand if you need help, a viewing platform and a café for afterwards.

A little further afield is Ice Skating at Hampton Court Palace, which is a royal affair - this was the home of King Henry VIII. The Frost Fayre Café serves warming drinks and festive snacks so you can relax after your big skate, which continues until 13 January. And while you're there, you could explore the palace and try not to get lost in the famous maze.

London's largest outdoor ice rink is in Hyde Park and it is open until January 6. Here the Winter Wonderland site will also feature a toboggan slide; a traditional German Christmas market;

an incredible 50m giant observation wheel offering wonderful views of Hyde Park and London; a carousel; a helter-skelter; carol concerts and a selection of amusement rides to entertain all ages.

Nearly 1,000 years after William the Conqueror founded the Tower of London, the dry moat beneath the outer curtain wall is home to a fabulous ice rink until 13 January. If you buy a joint ticket for the ice rink and the castle, you can celebrate a medieval Christmas with Edward I and his court of merrymakers.

Set within the magical grounds of the Temperate House in Kew Gardens is one of London's most enchanting ice rinks open until 6 January. Measuring a massive 1,000sq m, the rink has a capacity of 250 people, and there's also the Ice Café, where you can warm

up with some mulled wine or hot chocolate. You can also buy a joint ticket for the ice rink and gardens.

The ice rink at the Old Royal Naval College in Greenwich is now in its 4th year and remains open until 13 January. The building is one of the great masterpieces of English architecture, making it a fantastic location for a festive day out. And afterwards, relax with a hot drink in Café Ice and enjoy the views across the Thames to Canary Wharf.

And finally, even if you're not in Britain until the spring, you'll be able to experience the magic of our winter ice rinks at Broadgate, as it's open until April. Situated in the heart of the City, a day of skating at Broadgate is perfect for all the family.

Visit the www.visitbritain.co.uk site for full information on these attractions.





by Anne Cahill

Firmly Facing West and No Going Back

– Says President Viktor Yushchenko

Ukraine's President, Viktor Yushchenko, has repeatedly said membership of the EU and NATO are strategic policy goals, and he is adamant that he will not consider second best for his country. But while delays to NATO membership have been bound up with domestic politics, the path towards EU membership is far from guaranteed because of divisions within the Union that threaten to impede its progress.

To emphasise its determination to achieve EU membership, he was reluctant to cooperate with the Union's neighbourhood policy that has been especially devised to create close relations between the bloc and the countries on its borders without guaranteed eventual membership.

Now following a range of contacts between the Union and Ukraine at the highest level, Mr Yushchenko indicated his country is ready to push ahead with the negotiations that officially began last March and could last well over a year.

The Enhanced Agreement on offer includes a ten-point strategy of: low-

ering trade barriers; cooperation on immigration and foreign and security policy; easing visa restrictions on Ukrainians visiting the EU; increasing EU loans; advancing negotiations over trade in steel and textiles; of creating a Ukrainian free trade area once WTO accession is complete.

The President takes every opportunity to insist the Enhanced Agreement is not an alternative to EU membership and has emphasised time and again in meetings with EU leaders that the document should be ambitious, ensuring transition from cooperation and partnership to principles of political association and economic integration.

The prospect of a more western-leaning government taking office in Kiev has also increased the EU's optimism for closer relations with Ukraine - although at France and Germany's insistence, the Union is still reluctant to

concede that membership is an eventual certainty.

While Mr Yushchenko is delivering on some of the stepping stones towards binding Ukraine more closely to western capitalist democracies, such as the soon to be concluded World Trade Organisation (WTO) accession, the country still has some way to go before the EU will be convinced of its eventual direction.

President Yushchenko's hopes were however boosted when he was one of the guests of honour at the meeting of the European People's Party – the European Parliament's largest political grouping – that coincided with the summit of EU heads of state and government in Lisbon in October. His party, Our Ukraine as well as that of Yulia Tymoshenko (Bloc Tymoshenko) are members of the EPP.



President of Ukraine,
Viktor Yushchenko



Photo © Wikimedia / Ukraine's President

3rd President of Ukraine

Assumed office:

January 23, 2005

Preceded by:

Leonid Kuchma

Succeeded by:

Incumbent

10th Prime Minister of Ukraine

In office:

December 22, 1999 – May 29, 2001

Preceded by:

Valeriy Pustovoitenko

Succeeded by:

Anatoliy Kinakh

2nd Chairman of the National Bank of Ukraine

In office:

January 1993 – December 1999

Preceded by:

Vadym Hetman

Succeeded by:

Volodymyr Stelmakh

Personal Details:

Born:

February 23, 1954 (age 53)

Nationality:

Ukrainian



Photo © Secretariat of Ukraine's President

Consolidating Relations between Ukraine and the UK: Viktor Yushchenko and Kateryna Yushchenko meeting Her Majesty Queen Elisabeth II

Kateryna Yushchenko and Neil MacGregor, Director of the British Museum

Political party:
Our Ukraine

Spouse:
Svetlana Ivanivna Kolesnyk (div.)
Kateryna Chumachenko

Children:
Andriy, Taras, Vitalina, Sofia, Christina

Religion:
Ukrainian Orthodox Church

Website:
www.president.gov.ua



Photo © Secretariat of Ukraine's President

Interview with Viktor Yushchenko

Afterwards President Yushchenko told Spectrum that as far as Ukraine was concerned there were no alternatives to its integration with the EU. The process had already begun and was well underway throughout the economy and among the people of his country, he insisted. There was no going back, he said. Ukraine was now firmly looking towards the west, despite half the country's population voting for candidates perceived as being more sympathetic to closer links with Moscow.

Mr. Yushchenko quoted economic and trade facts and figures to show that his country was putting down roots in western Europe. "From 2006 the EU has become our number one partner according to the index of Foreign Trade. Business has voted for integration and society in general is similarly inclined. Research has shown that two thirds of the Ukrainian population supports integration in the EU," he said.

The development of the legal system in Ukraine is in line with that of the EU and allows for integration with the bloc while political leaders and political views generally are agreed that the goal of Ukraine is towards integration with the Union, he said.

The President, whose election had the backing of the Union, acknowledged that there have been incidents that might suggest his country was not so firmly focused on the west. "I would not like to comment on them but I want to emphasise that these were just episodes and they will not change the weather in Ukraine politics or Ukrainian society," he said.

At the end of the day the truth is to be seen in the process that is underway in Ukraine, and between his country and the EU, he insisted. The choice of ordinary citizens will always be for improvements in their lifestyle, better education and enhanced economic opportunities and democratic standards. "Ukrainian society is unanimous on this", he said which is why they will always opt for closer connections with the West rather than with Moscow.



Photo © Secretariat of Ukraine's President

President Viktor Yushchenko on the campaign trail in Dnipropetrovsk

He went on to say that early elections in Ukraine have finished with a democratic win for the democratic forces. These are the forces that will push the key project of Ukraine's European integration. "That is why we say we are united not just by the past but also by our common goal", he said.

He admitted there was considerable work to be done to achieve consensus. Its new government will not just have to get on with administering the normal duties but also must keep in mind the consolidation of the nation.

"I am sure this mission is well understood by the leaders. We want to have a politically stable country. We understand there is a need for an all-country dialogue. We do not want to return to the past and its stereotypes. We want to see Ukraine as a unified nation and Ukraine as a unified state," he said.

He did not believe that this was an urgent issue for Ukrainian society although one could believe it was from its portrayal on Ukrainian TV, and from its portrayal by some politicians he said and this could be divisive.

"It is very important for us to carry out work towards the integration of all the processes and we understand that this is not a one-day issue. We are not talking about terms and dates today, only about the prospects", he said.

The prospects included Ukraine's accession to the WTO, which he said he hoped would happen shortly, and the ratification of the readmission and visa facilitation agreement with the EU. Later Ukraine will implement the Odessa-Gdansk project pumping oil from the Caspian, bypassing Russia. This, for him, is a strategic element of Ukraine's policy of integration into the EU. Ukraine is also considering how to utilize its gas depots and transport systems to ensure the stability of supplies to the EU. "I think these kinds of projects are the best proof of Ukrainian integration into the European space", he said.

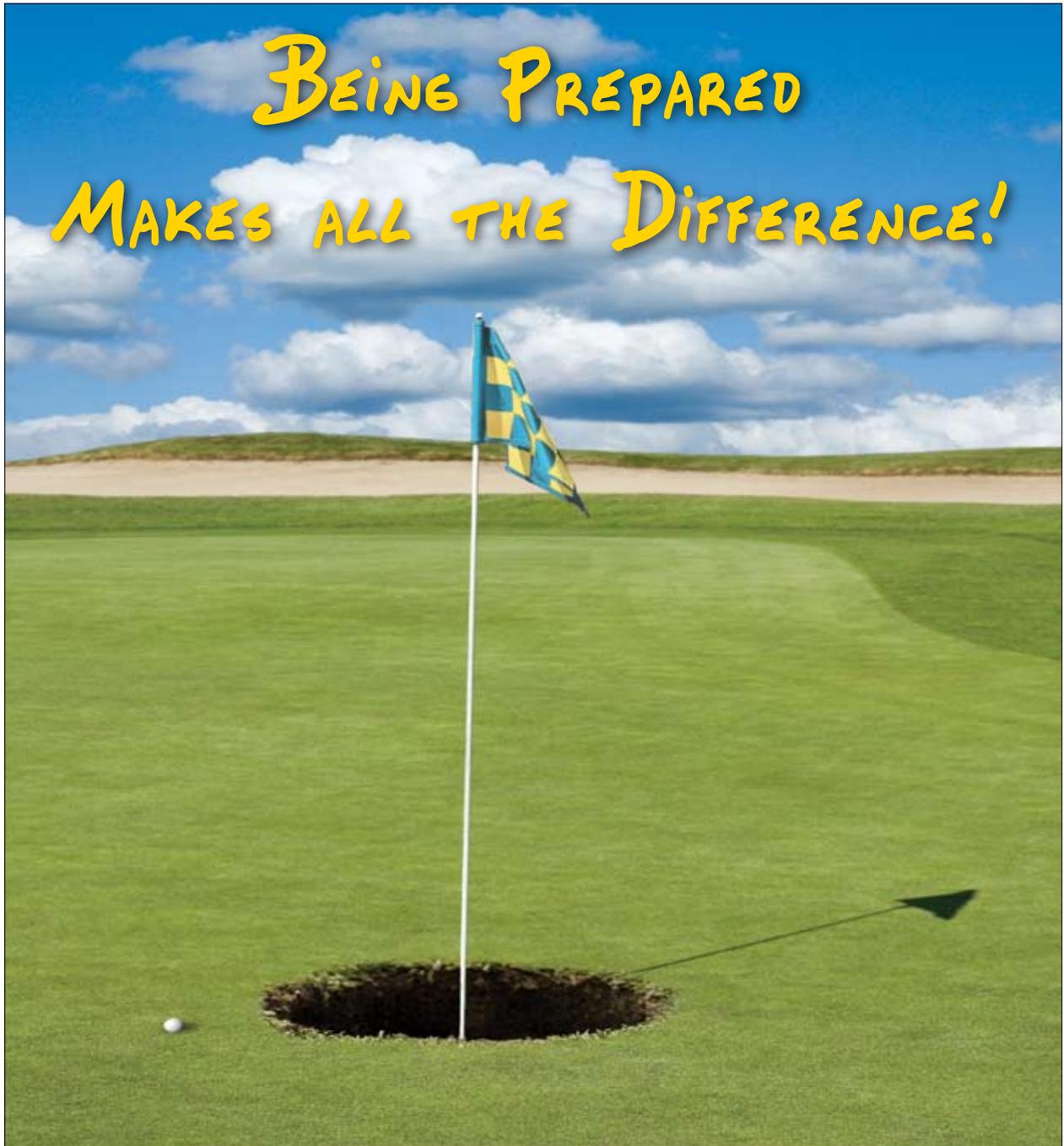
He added that the most important and most difficult issue now facing Ukraine is the completion of work on the Enhanced Agreement with the EU. But, he said: "We are very optimistic about it".



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Photo © Stanford University, Courtesy of Stanford University.

by Dr Robert Conquest

Ukraine has designated November 26th as an official day of remembrance for victims of "Holodomor" - meaning murder by hunger - and other political crackdowns. Dr Robert Conquest, poet, historian and author of "The Harvest of Sorrow", a study of the great famine, gave the following testimony to the hearing of the US Commission on the Ukraine Famine:

The Soviet assault on the peasantry, and on the Ukrainian nation, in 1930-1933 was one of the largest and most devastating events in modern history. It was a tremendous human tragedy - with many more dead than in all countries together in World War I. It was a major economic disaster. And it was a social "revolution from above," as Stalin put it, which wholly transformed a major country.

The events were largely unfamiliar to Westerners partly because the Ukrainian nationality, subjugated to be merely part of the Russian Empire for a century and a half, enjoyed only a few years of precarious and interrupted independence after the revolution, and then again became merely part of the USSR.

The facts of the assault on the peasantry, and on the Ukrainian nationality, are complex. Dekulakisation meant the herding of peasants into collective farms and in 1932-33, the seizure of the whole grain crop and the starvation of the villages crushed the collectivised peasantry of Ukraine and adjacent regions in a special operation. Most important of all, a great effort was put into denying or concealing the facts.

Lenin had devised, for a Marxist analysis of village life, a division of the peasantry into "kulaks"; "middle peasants"; and "poor peasants" plus a "village proletariat." This implied a "class struggle" in the village which in fact failed to occur, and so was imposed

Beyond Sorrow

Remembering the Victims of the Great Famine

by the representatives of the cities. The most lethal invention was the "kulak." This word - "fist" - had in reality been used only of a very small class of village moneylenders, all of whom had disappeared by 1918. Lenin transferred it to the richer peasantry. These, too, were wiped out by 1920. The term was then used of the more prosperous survivors.

From 1918 the attempt was made to abolish the market and get grain by forced requisition. By 1921, peasant resistance, expressed in widespread - indeed almost universal - peasant uprisings, had brought the regime to the point of collapse and Lenin, with the New Economic Policy, restored the market system. The ruined peasants who then worked indefatigably to restore their fortunes saved the country, but the more they prospered, the more they were regarded as kulaks by party ideologists.

The party hated the kulak as the main obstacle to socialism, though there was no actual definition of the kulak. In reality, as is often admitted in party literature, the middle peasants and even the poor peasants almost always took the same line but party doctrine required a "class enemy."

After the peasantry in comparatively free possession had restored the economy, Stalin felt strong enough to strike at the kulak. From the winter of 1929-1930 almost 10 million kulaks - men, women and children - were deported to the Arctic. A typical kulak would have something like 12 acres, a cow, a horse, 10 sheep, a hog and about 20 chickens, on a farm supporting four people.

The kulak category was broadened to include "sub-kulaks" who were said to share kulak attitudes. As a result a poor peasant who had farmed successfully in the 1920s (often a former Red Army soldier) became a kulak. But even when a kulak lost his property he did not become a poor peasant, but retained his kulak "essence."

The campaign against the "class enemy" became truly hysterical. In the

villages, teams headed by Communists from the cities, supported by OGPU (secret police), held violent denunciation sessions to meet their quota of kulaks. Anyone who defended them themselves became sub-kulaks. As Vasily Grossman describes it: "They would threaten people with guns, as though they were under a spell, calling small children 'kulak bastards...'. Just as the Germans proclaimed that Jews are not human beings, thus did Lenin and Stalin proclaim, kulaks are not human beings."

Some 100,000 were shot and the remainder were herded into cattle trucks and sent on journeys lasting a week or longer, to the Arctic. In the unheated trucks, deaths, particularly of infants, were common. On arriving they would be marched typically for several days to a clearing in the forest and told to make their homes in the frozen wilderness or sent to work on the Baltic-White Sea canal in which about 300,000 died.

The bulk of the remaining peasants in Ukraine, under very heavy pressure, were forced into the collective farms.

There was much resistance. Sporadic armed risings involving whole districts took place, especially in Ukraine and the North Caucasus but scythes and shotguns could not prevail against the armed forces of the OGPU.

The only peasant tactic, which had a measure of success, was the astonishing "women's rebellions": peasant women would prevent confiscation of their cows, and the authorities were often at a loss as to how to cope. The peasants' main reaction however was to slaughter the cattle. In a few months, even on official figures, over 40 percent of the country's cattle and 65 percent of the sheep had gone. Stalin's policy lay in ruins. Like Lenin, in March 1930 he had a tactical retreat. Peasants were now allowed to leave the collective farms. Sixteen million families had been collectivised and inside a few weeks,

▶ nine million left. But they were not given their land back. They were given rough ground at the edge of the plough land and heavy taxes were imposed on them.

A huge new wave of dekulakisation removed the more recalcitrant. Over the next two years, the bulk of the land was again collectivised. The peasant got a proportion of grain for consumption but only after the state had received its quota.

Dekulakisation and collectivisation were virtually complete by mid-1932. It was now that Moscow launched the third and most lethal of its assaults - the terror-famine against the peasants of Ukraine and some neighbouring areas, in particular the largely Ukrainian Kuban.

The Ukrainian countryside had already, in 1931-32, suffered grain requisitions that left it on the point of famine. In July 1932 Stalin issued the decisive decree: 6.6 million tons of grain were now to be delivered. The figure was far beyond possibility. The Ukrainian Communist leaders protested, but were ordered to obey. As Vasily Grossman puts it, "the decree required that the peasants of Ukraine, the Don and the Kuban be put to death by starvation, put to death along with their little children."

By November 1st, 41% of the delivery plan had been fulfilled, and there was nothing left in the villages. There were again protests from leading Ukrainian Communists, who told Stalin that famine was raging. They were rebuffed and ordered to find the grain. "Brigades" with crowbars searched the peasants houses and yards. A little hidden grain was sometimes found, the peasant then being shot or sent to labour camp, but in general the villages were now living on all sorts of marginal edibles - cats and dogs, buckwheat, chaff, nettles, worms, ground bark.

The borders between Ukraine and Russia were blocked by police posts, which prevented bread being bought back. About a third of Ukraine itself was officially blockaded so that not merely bread, but no supplies of any sort, could enter. In the Ukrainian cities a small ration was issued, but in the countryside nothing at all.

The cities were barred to the peasants by guard posts. Even so, when the last food



H.E. Adrienne Clarkson, the former Governor General of Canada, at the wreath-laying ceremony to victims of artificial Famine of 1932-33 in Kyiv, Ukraine.

had gone, many peasants managed to crawl to city centres. It was forbidden to feed them, or treat them medically, and they either died on the spot or were removed in twice weekly round-ups.

Back in the countryside, while any strength remained, families would come to the railway lines in the hope of being thrown a crust. Arthur Koestler, who was then in Kharkiv, describes this: "The stations were lined with begging peasants with swollen hands and feet, the women holding up to the carriage windows horrible infants with enormous wobbling heads, stick-like limbs and swollen pointed bellies..."

They returned to die in the villages. It is not our purpose to harrow you any further, but you need only envisage famine scenes as in the world today, with a single difference - that no aid or relief organizations were present trying to alleviate things. Indeed, it was

illegal - even in the villages - to suggest that a famine was taking place.

A census taken in January 1937 was suppressed and the census board were shot as they had according to Pravda "exerted themselves to diminish the population of the Soviet Union."

A reasonable estimate of the victims of the whole anti-peasant and anti-Ukrainian operation is about 14.5 million. The total dead in all countries in World War I was under 9 million.

We have literally hundreds of first-hand accounts from victims and from officials, from foreign Communists and from journalists: that is, first-hand observers. We have official material, both from the early 1930s and from the Khrushchev period, which strongly indicates much of the truth. All of them tell, or contribute to, the same story. Every point made here can be overwhelmingly documented.



Michael Murphenko

The man and his art

by James Wilson

Following the success of his “Hilism” at the Ukrainian Institute of America in New York this summer, Michael Murphenko took an exhibition of his work to London in November this year. Thanks to the sponsorship of JKK Oil and Gas, members of the British Ukrainian Society were invited to a private viewing.

Michael Murphy was born in Scotland, from childhood lived in Australia, studied art in Belgium and fell in love in Germany. Fell in love with a Ukrainian girl, and later – with Ukraine. He fell in love so strongly, that he took the pseudonym Murphenko, opening his soul forever to the live, generous (sometimes disgracefully generous) metaphysics of the Ukrainian land. Combined with the European school of art, this added to Michael’s artistic style a unique intonation – at the same time intellectually convincing and sensual.

Writing in “The Day” art critic Yevhen Minko says of his work, “What unites art lovers is genuine interest in Murphenko’s art, whose talent manifested itself not in his native well-off Australia but in stormy and unpredictable Ukraine”. 🌍

Art – through the words of the artist:

“An artwork is a knife that cuts.”

There is no sense in creating a work that only illustrates an idea. It must be a work that changes life.

“Art is discovering oneself.”

Like in a Johari window: the part a person sees, the part a person does not see that others see, the part everyone sees and the part no one sees. To swim in these ‘sees’, to feel and taste them - is an integral part of my creating.

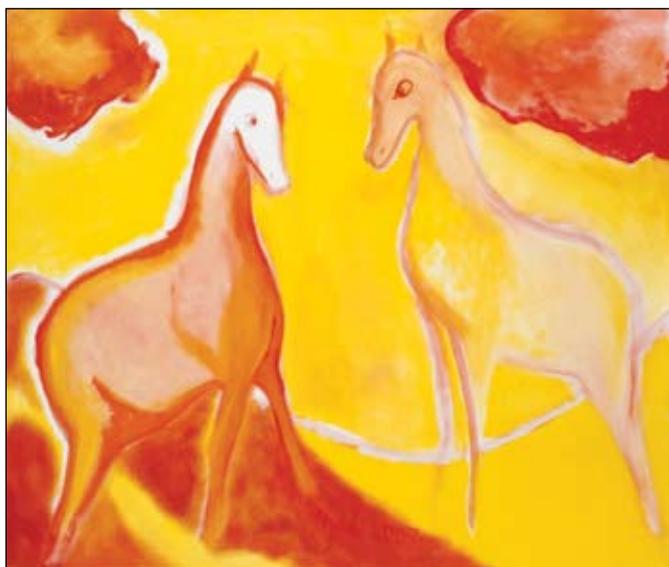
“Art is spiritual healing.”

I seek sharp and strange energies. Energies create heat. Paintings bring up an internal heat, a fever - which is the body’s way of healing sickness. This is the measure I use for my work – there is no difference if it is abstract, or representational or realistic.

“Art is fearless.”

Many people are afraid to create - to fail, to be embarrassed of what one does. I am aware of this every time I work. I must cast away fear - stay true to my thoughts and feelings, to my love, in spite of others.

The Murphenko Exhibition was held in London at Mayfair’s the Arts Club from 12-24 November, 2007 - You can view some of the artists work on his electronic gallery: www.murphenko.com



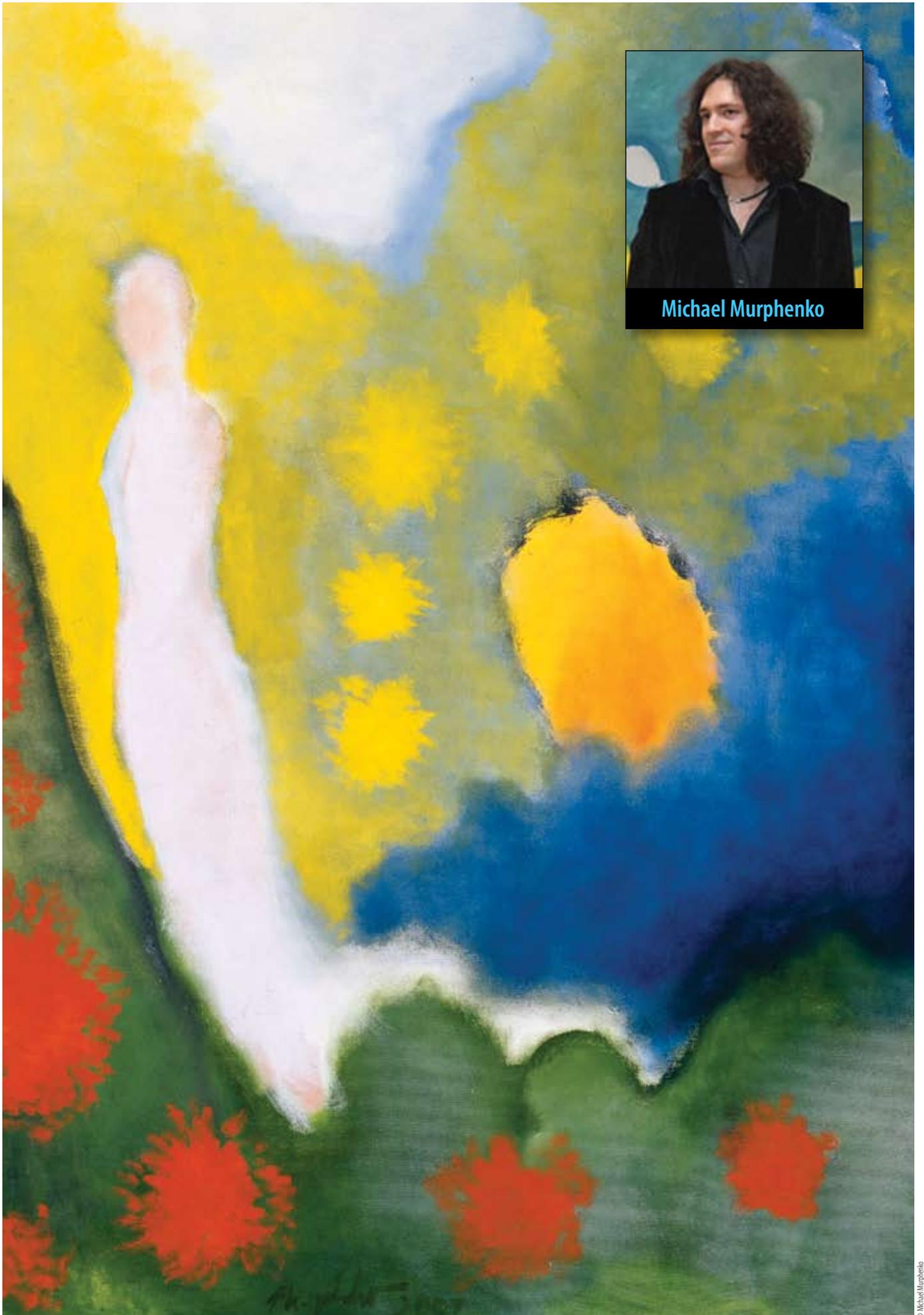
© Michael Murphenko



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Michael Murphenko



© Michael Murphenko



by Anne Cahill

Coping With Trade in an Open Market

– An Interview with Natalia Boytsun,
Deputy Minister of Economy of Ukraine

The year 2012 will be a big year for both Britain and Ukraine. Britain will be hosting the Olympics and Ukraine, together with Poland, is to co-host the FIFA World Cup. This happy coincidence presents a host of opportunities for cooperation and sharing expertise. Natalia Boytsun, Ukraine's Deputy Minister at the Ministry of Economy, Ukraine's Deputy Minister at the Ministry of Economy, spoke to Spektrum about the opportunities and obstacles ahead of Ukraine as the country prepares to co-host the Football World Cup.

Natalia Boytsun suggested that companies had better secure their participation in development projects soon, as demand from foreign investors to be involved is intense. Considerable amounts of infrastructure that such events call for is lacking in Ukraine – including restaurants, hotels and bars and even 2000 km of road.

The Ukrainian government has drawn up a list of projects that will cost between \$25 and \$30 billion - of which the state will be able to provide about 20%. Interest in under-taking projects has already been expressed by firms from several countries including Britain, France, the Netherlands, and even Singapore.

Effectively managed, the improvements envisaged for the World Cup should benefit the country in the long term. According to the Deputy Minister: "After 2012 Ukraine will be changed completely. This is a good opportunity to develop our government, and to manage our infrastructure. I know from my travels that Ukraine has many infrastructural problems to resolve, but this event offers Ukraine a great opportunity to find solutions", she told Spektrum.

She also hopes that the football tournament will help the country to become better known internationally as a tourist

destination and she is optimistic that tourism will develop on the back of the publicity surrounding the three weeks of football in 2012. The eight matches and 16 visiting teams could generate several billion dollars of revenue to be shared between the hosts, Poland and Ukraine.

She moved on to discuss Ukraine's trade and industry and Ms Boytsun told Spektrum that Ukraine is investing heavily in upgrading her industry and currently imports significant amounts of new equipment for every sector from agricultural to hi-tech; in fact these equipment imports make up about 30% of all Ukrainian imports.

This, combined with the increase in gas prices has produced a negative trade balance. Ms Boytsun said that the government is responding with a special programme to support exporters. The State Bank Ukrexim (import-export) is being reconstructed and will be able to provide state guarantees for export contracts, she said. The government has also been studying how Britain, the Netherlands and Belgium promote their exports using business missions and trade exhibitions, and plan to follow their example. Ms Boytsun reminded us that Ukraine hopes to join the World Trade Organisation in 2008 and that this will offer huge potential to manufacturers. Ukraine has now signed protocols with all the relevant countries for the agreement.

In the meantime Ukraine businesses

are beginning to learn about some of the pitfalls that open market competition can present – such as the rigours of seven anti-dumping measures.

"Ukraine is a market economy and as such our enterprises have to take part in negotiations and prove that they can work under market conditions. We must abide by the rules and take care that our businesses do not harm industry in the EU", said Ms. Boytsun.

This is a new situation for Ukrainian enterprises and the government is trying to teach them how to avoid problems and how to fight their corners. To this end, in October 2007, experts from the European Commission visited Ukraine where the government arranged a meeting with Ukraine's major exporters. "This was an opportunity to ask about the rules and the companies received very good answers to their questions. Opportunities such as these enable our producers to think about how to work within the legislation and allow us to have a continuous dialogue with the EU".

Ukraine's growth figures for the first nine months of 2007 are 7.3% compared to 6% for the full 12 months of 2006. Industrial production has increased by 10%. Trade continues to grow with the rest of the world, and especially with Britain. Last year Ukraine increased its imports of goods and services from Britain by 21% to £337.9 m while its exports to UK increased by 38% reaching £128.6 m.





**“After 2012, Ukraine will
be changed completely....
this event offers Ukraine
a great opportunity”**

Natalia Boytsun, deputy minister
of Economy of Ukraine.



Upcoming Elections for Mayor of London

In this edition we introduce one of the candidates for the job of Mayor



Photo Courtesy of www.chandisingmpblogs.com

Boris Johnson Talks About London

“London is a phenomenal place. It is the economic engine room of the nation, a pre-eminent cultural centre, a global city of dazzling diversity and a land of unparalleled opportunity. It’s little wonder that so many people are desperate to live and work here.

The growing numbers of Ukrainians in London is testament to the city’s appeal. Hundreds of thousands of people from the Eastern European members of the EU come to our capital to work and build a better life for themselves and their families. They act on a noble aspiration that chimes well with the spirit of London and Londoners.

They come here because it is an

open and dynamic economy, because it is an energetic and lively place, because in this world city you can dine on the best Borscht and Varenyky this side of Kyiv.

In many ways, London is a land of opportunity. But there is still much to be done to ensure that all Londoners can participate in the life, culture and economy of what I think is the greatest city on earth. That’s why I’m standing in the election for Mayor of London next May. I want to make a difference to the lives of Londoners - whether they originate from Kyiv, Kennington, Krakow or Kentish Town - by allowing them to realise the opportunities that are available to them in this city.”



Elections for Mayor of Europe’s biggest city, London, will be held on May 1, 2008. This will be the second time such elections have been held as the incumbent Ken Livingstone was elected in 2000.

A candidate must have ten signatures of people in each of the city’s 32 boroughs and from the City of London submitted before 28 March with a deposit of £10,000, (\$20,479) which he or she gets back if they get at least 5% of first preference votes. They are limited to spending £420,000 (\$860,100) on their campaign from 18 March which is the first day they can submit their candidature for the job.

All citizens of Great Britain, the Commonwealth and the European Union and anybody who has lived in London for the previous 12 months may vote. The Mayor receives an annual salary of £137,579 (\$281,748) and answers to the people twice a year at People’s Question Time.

The Mayor has several roles. Some services are run locally by borough councils but the size and complexity of London means that some plans and decisions need to be made with a London-wide view. These include making plans and policies to improve the city and benefit Londoners, managing London’s government with a budget of £9 billion (\$18.4b) to run transport services, police and fire services and promoting London’s economy and being a spokesperson for the capital at home and abroad.

The Mayor works with London’s borough councils setting the budgets for and appointing part or all of the boards for Transport for London, the Metropolitan Police Authority, the London Fire and Emergency Planning Authority and the London Development Agency.

The Mayor also looks after Trafalgar Square and Parliament Square and decides which major London building projects can go ahead.



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Tourism in Ukraine

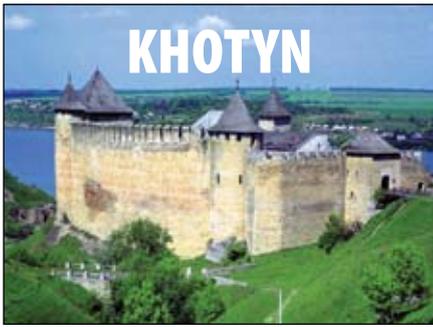


Photo © Petyshchikova Iryna

Ukkraine as a modern independent state appeared on the world's map relatively recently. But its history and culture stretches back to ancient civilisations and despite not being too widely known is now helping to attract an increasing number of tourists from all over the world.

An example of the growing appreciation of Ukraine and its role in European history is the little town of Khotyn that is on the Dniester River and close to the Ukrainian-Romanian border.

It has just about 12,000 inhabitants now but from the 15th to 17th centuries it was at the centre of momentous events that have shaped the modern Europe, as well as Ukraine.

This strategic location at the crossroads of North to South and East to West was recognised in the eleventh century by the Kyiv Prince, Volodymyr the Great, who established one of the boundary fortresses of his legendary state in Khotyn.

From that time on Khotyn played its role in the destiny of the region.

After the devastating Mongol invasion of Kyiv Rus in 1237-1241, Khotyn's significance grew as its fort – one of the most important of the Halych-Volhynian Principality – was strengthened to protect the important ferry over the Dniester and to suppress attacks by steppe nomads.

In the second half of the 13th century the stone fortress was known as one of the most significant fortifications in eastern Europe but by the end of the 14th century the city fell to Moldavia's rulers including Stefan III the Great.

Khotyn was famous in Europe not just for its military significance but also like most great crossroads for its role in trade. Here agricultural produce from the rich territories of modern Poland, Ukraine and Moldova were traded and fed a large population in the region. The secretary of the Papal Nuncio in Poland, A. Graziani, wrote in the 15th century of Khotyn's trade-fair: "From here many bulls are exported and their meat is appreciated not only by the population of Hungary and Rus, but also the Poles, the Germans, and Italians - mainly in the city of Venice."

Merchants from east and west met here regularly, creating a wealthy market-place, and old Khotyn's custom-house remains to this day, a testament to its former glory.

Khotyn was subjected to further significant influences when first the Ottoman Empire and later the Polish-Lithuanian Commonwealth claimed it as their own.

In the sixteenth century Moldova was a vassal state to the Turkish sultan and as a result a Turkish garrison appeared in Khotyn fortress to which a mosque and trading structures were added. But at the end of the century and the start of the 17th century, the constant cross-border raids by Ukrainian Cossacks caused Sultan Osman II to lead his Janissaries to battle. The Turks, following their victory in the Battle of *Țuțora*, thought to conquer Ukraine, which was then a part of the Polish-Lithuanian Commonwealth, and perhaps to topple the Commonwealth, which stretched to the Baltic Sea, entirely.

At this time Europe was weak and vulnerable as a result of the Thirty Years War and not prepared to face a strong and focused Ottoman army. A successful Turkish campaign at this time could have changed the political map of the continent for centuries ahead. In the autumn of 1621 enormous Turkish regiments, that according to different sources numbered more than 150,000 soldiers, appeared in the area of Khotyn. The Commonwealth force numbered 35,000, supported by 40,000 Ukrainian Cossacks lead by Petro Konashevych-Sagaydachnyi famous for his military brilliance and experience. Despite such a huge difference in strength, the Commonwealth and its allies won the battle after a month of terrible struggle.

The Khotyn war was one of the highest points of Cossack glory. They were compared to the ancient knights and called the saviours of the common Christian Motherland. An Armenian eyewitness of the battle wrote: "If the Cossacks had not appeared, only God knows whether the Poles would have not been destroyed in 3-4 days." The Ottoman failure to overpower the outnumbered Commonwealth army and Cossacks caused chaos in the Empire with Sultan Osman assassinated as the Janissaries rebelled throughout the country.

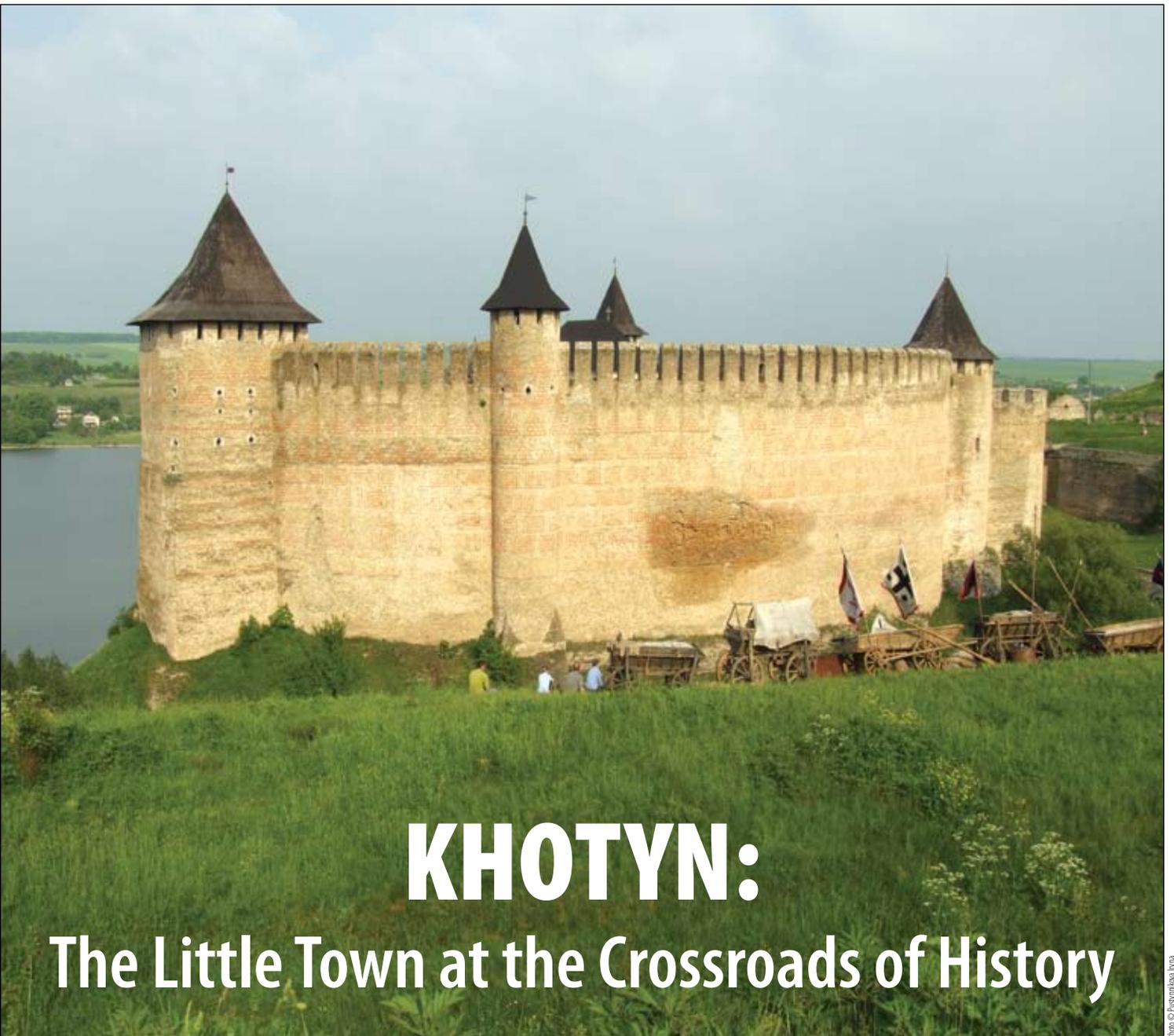
In the following centuries Khotyn passed through other hands, witnessing numerous victories and losses. One of the most famous, and one that has left a deep mark on Europe's history, was that in November 1673 when Jan Sobiesky led 30,000 Polish-Lithuanian-Ukrainian forces to defeat 40,000 Turks. The victory gave Jan Sobiesky the Polish crown and Europe-wide glory.

Historians consider the Khotyn victory

Beyond the high walls of Khotyn's fort



Photo © Petyshchikova Iryna



KHOTYN: The Little Town at the Crossroads of History

Photo © Polymilkova Iryna

Above: Side view of the high protective walls

Below: View from across the Dniester River

as the Poles' most significant victory over the Turks and as a victory that paved the way for the grand defeat of Turkish forces in Vienna in September 1683 which initiated the decline of the Ottoman Empire.

The centuries have passed, the wars are finished, and glorious old Khotyn once again belongs to its founders. Elegant and powerful, the fortress stands peacefully among a gorgeous countryside that witnessed history at first hand, and is ready to reveal its story to those curious enough to seek it out.



Photo © Polymilkova Iryna

Tourism in Western Ukraine

How to get there

Khotyn is on the banks of the Dnister River in the south west of Ukraine, close to the border with Romania.

It is 565 km from Kiev and you can take a train or bus to Chernivtsi. From here there are daily trains and a regular bus service to Khotyn, which is 50 km away while Kamianets-Podilskyi is 22 km.



What to see

Khotyn fortress is a movie star castle used in lots of films but with a history closely linked to the fate of the region and of Europe itself.

It is located at 40A St. Pokrovska Str., tel: (03731) 229-32, diaz@ukrtel.net. and is open daily to visitors from 9:00 a. m. to 6:00 p.m. Entrance tickets for adults costs 4 hrn, children – 2 hrn and to take



photographs you pay an additional 1 hrn.

Nearby are Kamianets-Podilskyi and Chernivtsi, historical towns with first class architectural features museums and theatres that are well worth visiting.

Where to eat



The last ten years has seen many restaurants, cafes and bars opening up in Khotyn and the larger towns nearby.

They serve traditional Ukrainian cuisine but also those of their neighbours in Georgia and Romania.

There are also German and Italian

restaurants and some with dishes from further afield including Chinese and Korea.

Chernivtsi has lots of discos and night-clubs mainly in the city centre including on Russka St and Independence Ave.

Where to sleep

Hotel Olymp, Olympiyskaya 75 in Khotyn town centre.
Phone: +38 03731 21 361.

Chernivtsi has many places to stay from large hotel complexes such as "Cheremosh" (13-A Komarova St.), "Tourist" (184 Chervonoarmiyska St.) and "Bukovyna" (141 Holovna St.), to small hotels, guest houses and pen-

sions with just a few rooms in the historic centre of the city including 18/9 28 Chervnia St., 8/11 Central Square, 4 Chervonoarmiyska St.

Prices vary from \$5 to \$100 for a room for a night.



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by Svetlana Sheveleva

“I really love Ukrainian designers and prefer to wear their designs”, Yulia Timoshenko, leader of Bloc Timoshenko can be constantly heard saying.

One of her favourite designers, Roksolana Bogutska, showed her prêt-a-porter collection for Spring 2008 recently in Kyiv during Ukrainian Fashion Week.

Her designs are much admired too by the First Lady of Ukraine, Kateryna Yushchenko who passed on her love of the traditional vyshyvanka (Ukrainian national embroidered shirt) not just to her children but also to the wife of the Georgian President, Mikhail Saakashvili.

Unfortunately they missed the fashion show this year, which is understandable given the political situation at the time with negotiations on the coalition government following the recent elections.

Such VIP customers of course also have an opportunity to view the collections long before they appear on the catwalk or in the shops and their favourite boutiques.

And of course for such important

Putting Ukrainian Traditions on Catwalks the World Over

clients the designers are willing to bring their models for fittings at any time and place, including their holiday homes and even no doubt their offices.

The young designer Aina Gasse, who created the grey dress Yulia Timoshenko wore on the occasion she was approved as Prime Minister and many other outfits for the leader of

Bloc Timoshenko, has said it has been a pleasure and fun to work with her.

According to Aina, 46 year old Ms Timoshenko is a patient and tactful client who knows all the sartorial terminology and can give professional advice on some details because she made clothes for herself when she was younger.

At the moment Aina is devoting

Roksolana Bogutska

Roksolana Bogutska graduated from the Lviv College of Applied Arts and the Lviv Academy of Applied Arts. She presented her first collection at the Fashion Season's National prêt-a-porter week in 1998. This was the year when the Roksolana Bogutska brand was founded.

The distinctive features of the Roksolana Bogutska brand are Ukrainian national motifs. The designer consistently develops a theme of ethnic decorative elements in her contemporary clothing styles.

Roksolana's style is unique due to the artistic embroidery widely used on her garments. The embroidery is done with silk, ribbons and beading. She uses only natural materials such as leather, fur, silk, wool and cotton processed according to the latest technologies. Each Roksolana collection is up-to-date, unpredictable and distinctively Ukrainian.



Roksolana Bogutska shows off one of her creations



“...even a person’s clothing policy can be an appeal to the electorate...”

Photo © Ukrainian Fashion Week

Ukraine Fashion

▶ herself to creating a winter wardrobe for her favourite client, ensuring they are suitable for her work in the Parliament and trips she is likely to make over the coming months.

The question frequently asked is what caused this change of fashion taste for Ms Timoshenko who in the past was frequently criticised for her style and wardrobe, which was dominated by leading foreign brands such as Louis Vitton and D&G.

The shift to Ukrainian designers has not been dictated by a need to save money, although the prices of domestic designers can be much more reasonable than their foreign colleagues. For instance prices in Ms Gasse's boutique range from 500 hryvnias (£47/€68) for a transparent chiffon blouse to 5,000 hryvnias (£470 / €680) and more for a coat.

It is possible as well for Ms Timoshenko to order an exclusive custom-made dress or a suit – after all if a person breaks the stereotype in politics, why not also the dress code? Indeed woman politicians, as a rule, dress too boringly, rarely changing their look except perhaps to vary the colour of their blouse.

Diana Dorozhkina, another leading Ukraine couturier, believes that the most important reason for the growing popularity of Ukrainian designers is their dedication to traditional cultural roots, which are to be seen in the details of many of their creations and with which ordinary people can identify. As a result even a person's clothing policy can be an appeal to the electorate.

This can be seen clearly in her latest spring-summer 2008 collection, "It features a range of knitted pieces that reflect world-wide fashion trends, but at the same time emphasises the Ukrainian mentality and conveys our traditions", she explained.

Ms Dorozhkina, who is the only Ukrainian designer admitted to the Association of High Fashion in Russia, has a wide range of customers from politicians and business people to media and show business luminaries.

Her designs have been very successful in Monaco where they are on sale in one of the boutiques. She has been invited to show in New York and London several times, but so far has been unable to go because of what would be exorbitant costs for a



Ukrainian designer of at least \$100,000.

The fact is that in spite of the popularity of designers like Diana they are unable to command the kind of income they need to compete at the highest levels internationally. For instance Ms Dorozhkina could not have made and shown her latest collection without the help of LG Electronics, whose face she is in Ukraine.

Other Ukrainian fashion designers have similar problems and even orders from the Yushchenko family, Ms Timoshenko and the entire parliament would not generate sufficient capital to cover the costs of new technology, professional staff, fabrics, modern outlets and the other requisites to transform a Ukrainian designer into an international fashion house.

What they really need before taking part in another fashion-week is to be introduced to fashion buyers both Ukrainian and foreign, to launch their collections abroad and ensure sales through outlets in other European countries and places further afield.

Unfortunately so far their creations tend to remain once-off.

To date in the Ukraine only Michael Voronin has been able to create an entire retail outlet network with his own brand products that are on sale in about 40 stores in Ukraine and a similar number in other European countries.

This master of the Ukraine fashion industry for more than 40 years has dressed presidents and bankers, students and governors. But he too has similar problems providing quality clothing for different social sectors of Ukrainian society from the younger generation to mature adults.

Ukraine's designers have great potential and with a little more money and intelligent fashion buyers who will put their designs into mass production they could sell the quantities they need to finance their industry and provide fashions for the ordinary man in the street who as a result would be able to update his wardrobe with Ukraine designs, rather than Chinese forgeries of D & G.





“...the most important reason for the growing popularity of Ukrainian designers, is their dedication to traditional cultural roots, which are to be seen in the details of many of their creations...”

Photo © Ukrainian Fashion Week



Robert Tyldesley has been a man ahead of his time in the field of recycling but his latest invention is leading the way in usefully disposing of waste in Ukraine.

With his team of engineers he invented a way of making roof tiles and paving slabs from ordinary household waste.

After a career in newspaper production throughout Britain, Robert Tyldesley decided to go into business for himself. This led him to Lugansk, Ukraine where he now has a home as well as in London.

Britanica JV was set up as a joint venture 13 years ago and is owned by Robert, fellow British businessman Alfred Gooding and Ukrainian partner, Igor Sedykh. It started as a purely telecoms venture selling refurbished BT handsets in the local market. They used components and stock provided by British Telecom. Business expanded rapidly and they acquired a large former TV factory in Rovenky.

As BT stock became scarcer and the market more developed, the company started manufacturing their own handsets using BT's old tooling and Russian made injection moulding machines. A subsequent development was the local sourcing and manufacture of circuit boards and components.

In 2001 Britanica JV decided to investigate the possibility of developing a process for the manufacture of roof tiles and other building products using recovered plastics as the bonding agent. The technique had already been used by a firm in Siberia, Russia but on a small scale using primitive equipment. Britanica designed new manufacturing equipment to improve the product and it required less intensive use of manual labour and made more efficient use of electricity.

Britanica believed they should develop a market for the roof tiles and further develop the equipment

Green Revolution

British Entrepreneur brings his recycling skills to Ukraine



Robert Tyldesley and Her Majesty's Ambassador to Ukraine Tim Barrow

they were using and in turn sell it to businesses in Ukraine and elsewhere.

The latest generation of equipment is ideal for a small-scale manufacturer in a location where labour costs are low and there is access to plastic that can be recovered from domestic waste.

So far they have sold equipment for installation in South Africa, Ghana, Nigeria, Ethiopia and Venezuela and are actively seeking out new markets.

The roofing system was so successful that the company JV Britanica was a finalist in the international Shell/BBC World Challenge, which rewards environmentally-friendly companies worldwide that make a difference to local communities.

Robert Tyldesley, who is a graduate of the London School of Economics, had his contribution to Ukraine and the recycling revolution officially acknowl-

edged and rewarded in Queen Elizabeth 11 Honours List last April. He was awarded the Most Excellent Order of the British Empire and was invested by HE Tim Barrow, British Ambassador to Ukraine, in Kyiv.

Presenting the award the Ambassador said that Robert and Britanica had led the way in producing innovative technology with environmental benefits.

Mr Tyldesley replied that he saw the award as a tribute not just to him. "It is a tribute to the efforts of a splendid team of engineers who worked with me to create the means for the world to make something really useful from growing mountains of unwanted rubbish".

The MBE is a British order of chivalry established by King George V in 1917 and awarded to civilians who have performed acts of benefit or service to the nation.



The strong links between Britain and Ukraine

Establishment of Diplomatic Relations

The United Kingdom of Great Britain and Northern Ireland recognised Ukraine's independence on 31 December 1991. Officially diplomatic relations were established on 10 January 1992.

Modern Britain in Ukraine

Between 2001 and 2005 more than 150,000 schoolchildren, students, teachers, scholars, journalists and officials in 25 towns of Ukraine attended Modern Britain information fairs organised by the British Embassy and the British Council to disseminate information on British education, art, science and UK achievements in various walks of life.

Great Britain Actively Supports the Chernobyl Shelter Fund

Since 2001 Great Britain has contributed more than £26 million towards the Chernobyl Shelter Fund, which was set up in 1997 to assist Ukraine in transforming the existing shelter over Chernobyl's destroyed Unit 4 into a stable and environmentally safe condition. The overall UK contribution to national and international programmes arising from the accident exceeds £100 million.

Faraday Renamed Akademik Vernadsky

In September 1994 Ukraine was admitted to the Scientific Committee of Antarctic Research, thanks in part to the active support of the UK. The same year the UK decided to close its Antarctic station Faraday, set up in 1934, and offered Ukraine the opportunity to take it over. Ukraine accepted, and the British Antarctic Survey trained Ukrainian personnel to operate the sophisticated scientific equipment installed at the station. On 6 February 1996 the Union Jack was lowered and the Ukrainian national flag raised. The station was renamed Akademik Vernadsky.

HMS Fearless First Foreign Warship to Visit Independent Ukraine

In October 1991 the amphibious assault ship, HMS Fearless, became the first foreign warship to visit Ukraine. She had been on a visit to the USSR, but while en route to Sevastopol, Ukraine voted for independence at a national referendum. By the time HMS Fearless arrived, Ukraine was an independent nation.

BBC Ukrainian Service

The BBC Ukrainian Service was established after Ukraine gained independence. The first BBC programme to be broadcast in Ukrainian went out on 1 June 1992. Ukrainian President Leonid Kravchuk and the British Prime Minister took part in it. Since then Bush House, the London headquarters of the BBC World Service, has broadcast in Ukrainian every day.

Foreign Investors in Ukraine

Great Britain has been one of the top 5 foreign investors in Ukraine during the last 5 years. Over the last decade the annual volume of British exports to Ukraine has more than doubled (from £164.7 million in 1997 to £337.9 million in 2006). The annual volume of British imports from Ukraine has meanwhile more than tripled (from £38.7 million in 1997 to £128.6 million in 2006).

300 000 Ukrainians Get British Visas

Between 1992 and 2007 the British Embassy in Ukraine issued about 300 000 visas to Ukrainian citizens. The numbers visiting the UK are increasing each year. In 1993, 8,707 received visas while almost 30,000 did in 2006. In 2002 the Visa and Consular Section of the Embassy moved to new, more spacious premises at 4, Glybochytska Street. And from October 2006 an online visa application service was introduced to enable customers to choose the time and date for their interview.





by **Gerald Bowers**

Ukkraine is in the midst of a long-term economic boom that has brought it to the attention of the world's investment community and real estate is at the center of that attention.

Every imaginable commercial real estate project is needed not only in the capital, Kyiv, to meet demand from domestic and foreign businesses alike, but in cities throughout the country as well. Political instability has done little to dampen the economy's growth and even less to dampen real estate projects.

While most foreign investors are taking the time to learn about Ukraine in detail, those with more appetite for risk or with solid connections are learning how to move on with the help of local partners, and all agree that Ukraine's commercial real estate market will be in good shape for the foreseeable future.

Ukraine has demonstrated serious economic growth for the past several years. The numbers from August 2007 show that the trend continues; real GDP growth was 7.5%, year on year in 7M

2007, and real industrial output grew 10.9% over the same period. Total public debt is calculated to be a mere 12% of 2007 estimated GDP, as opposed to 60% or higher in many CEE countries. The Ukrainian government registered unemployment at 2.1% in July.

This growth has been noticed by the world's business community, and the rush by both global players and domestic firms has brought about an increase in demand for almost every type of commercial real estate.

In all sectors, demand is outstripping supply. For instance, financial and legal service firms take up nearly half of the demand for office space in Kyiv. Office projects will certainly remain at the center of commercial real estate development for the next few years. And though delivery of office space in Kyiv should finally rise above 140,000m² for the first time in 2007, a good portion of it is already spoken for. This alone gives an indication of the opportunities currently found on the Kyiv market. Where else in Europe can one build a business centre and be confident of 95% occupancy before it opens?

Likewise, retail projects face a bright future. While Ukraine's office market is picking up in terms of deliveries, retail is in a slump at a time when demand is at record heights. There were no major openings in Kyiv in 2006, and nothing larger than 10,000m² was delivered in the first half of 2007. Kyiv finally has Mark's and Spencer's as part of the opening of Komod Shopping Centre this spring.

The total retail market inventory should reach 400,000m² in Kyiv this

year, which is roughly half that of Prague. This, coupled with the lack of substantial deliveries has driven rents up and vacancy levels down, with Kyiv's vacancy rates among the lowest in Europe. Though averaging 4% across the board at the beginning of 2007, the city's higher-quality retail spaces can be confident of having vacancies of less than 1%. Well-designed and located projects are often able to pre-lease to tenants well before opening.

Foreign companies moving in are highly recommended to look for a trustworthy local partner. Their connections with local bureaucrats and local knowledge of locations, trends and expectations are as important as any imported experience in project management. Local knowledge becomes even more important outside of Kyiv when considering regional centres such as Dnipropetrovsk, Odesa and L'viv.

Some developers are finding it easier to move beyond the capital to cities with more than one million inhabitants and to cities such as Zhytomyr, which still have substantial populations of over 300,000 inhabitants, but lack modern facilities. Moreover, the demand for projects in those cities is often matched by the willingness of the local administrations to help move a project along.

The massive development drive that will accompany the run up to the EURO 2012 football tournament will affect all types of commercial real estate projects, not just the office and retail segments. In particular both Kyiv and L'viv should benefit from the tournament as strategic transit points as well as venues themselves.

Below: Prime office buildings for sale



Ukraine's Commercial Real Estate Boom

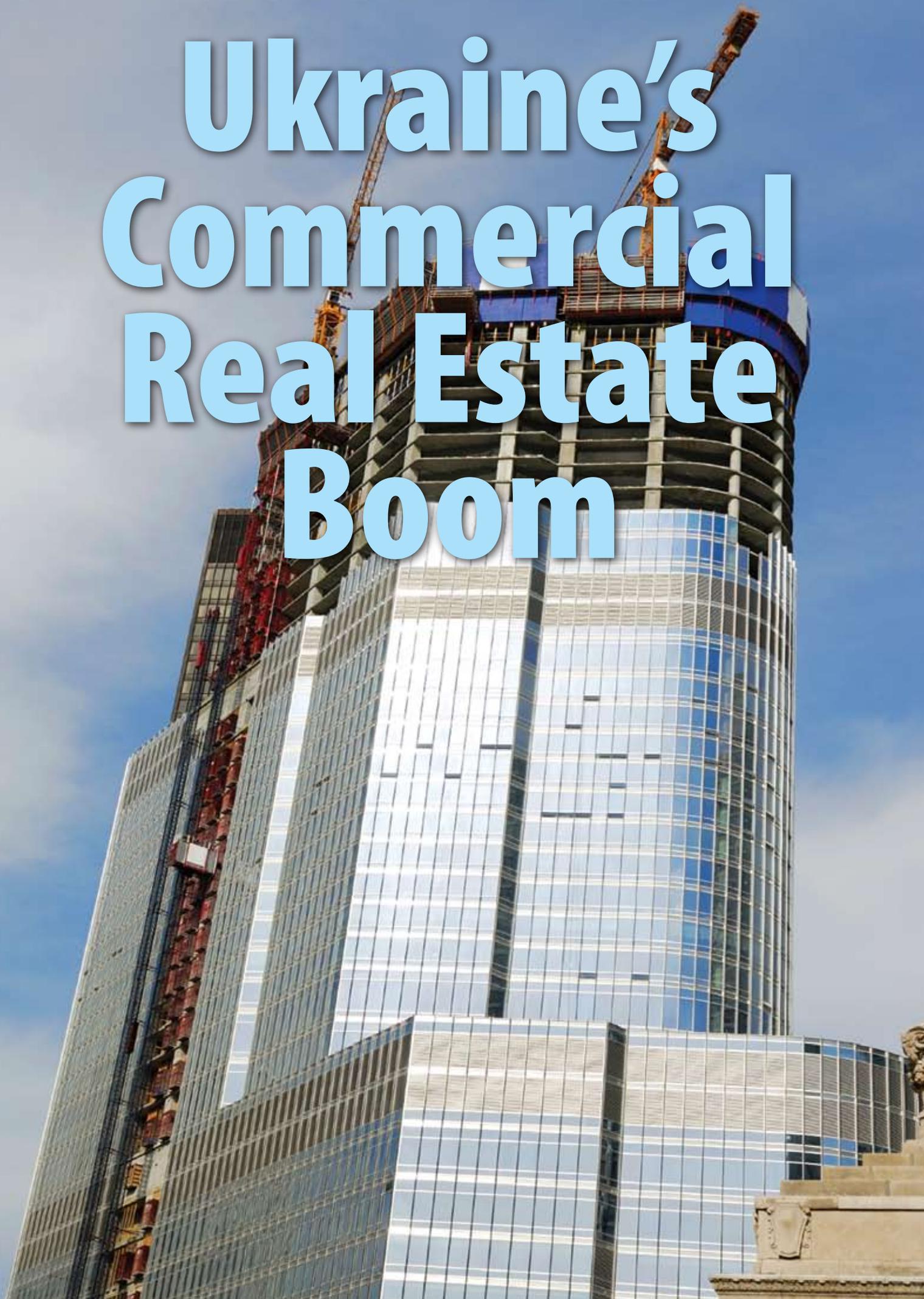




Photo © Divo Restaurant, London

by **Nataliya Shpek**

Divo – “wonder” in Russian – is London’s first up-market Ukrainian restaurant and it recently opened its doors in St James.

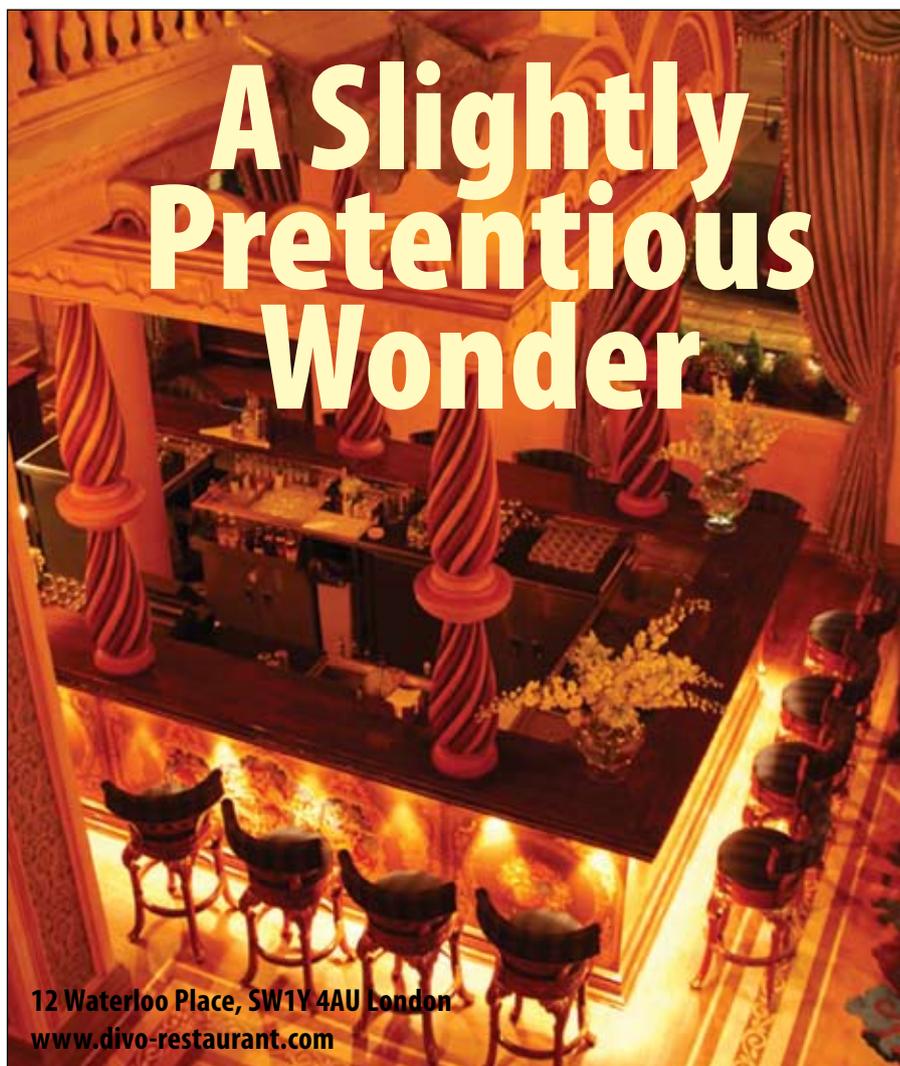
Our first impression however was puzzlement. The decor in the grand St. James’ building, with heavy curtains, oversized furniture, chandeliers and a big piano in the corner near the entrance, hardly says ‘Ukrainian’. There are several dining areas, each representing a different aspect of Ukrainian culture and traditions, according to the restaurant’s website. But the design looks nouveau riche rather than traditionally Ukrainian.

The Russian-speaking waitresses were friendly and smiling, although their red outfits with corset-like tops and short skirts were also puzzling and rather tasteless and did not match the plush decor.

The restaurant was very empty during lunch hour on Friday – there were only two other visitors in our room. The waitress said that they are normally a lot busier in the evenings.

The long menu is full of traditional Ukrainian dishes, as well as some modern additions such as baked sea bass and prawn salad. The prices are not cheap. We decided to try their set lunch menu, which was priced reasonably at £24 (252 UAH) for three courses and with a choice of five starters, three main courses and three deserts. We were also offered complimentary fresh fruit juices.

For starters we had traditional Russian salad olivier, made with boiled potato, carrots, peas and meat and dressed with mayonnaise. Divo’s version of this traditional salad included some spicy crab meat and red caviar, but these ingredients did not compliment the salad well. Fish roulade, another traditional starter, was plain but was the only non-meat



12 Waterloo Place, SW1Y 4AU London
www.divo-restaurant.com

Photo © Divo Restaurant, London

The amazing bar area in the Divo restaurant

option. Finally, borsch, a traditional Ukrainian beetroot soup, served with sour cream and traditional savory pastry called ‘pampushki’ was tasty and light.

Cossack pork sausage, served as a main course at Divo, sounded like a succulent homemade sausage that would be brought to our table sizzling hot. Instead we got a cold meat platter with 6 pieces of different meats and sausage which looked like a starter rather than a main course. We were however, pleasantly surprised with the light texture of the dough and tasty fillings of their vareniki. These are Ukrainian-style dumplings in a half moon shape filled with potato, roasted cabbage and meat. The dish is served in a clay pot with sour cream on the side and one can choose to have vareniki with a single filling or a selection of fillings.

Another main course option is sea bass baked in paper with soy sauce and ginger - very unusual

ingredients for Ukrainian cuisine - and served with grilled vegetables.

The desserts were rich, tasty and beautifully served. Our favourite was Napoleon cake which turned out to be a millefeuille with cream and custard.

The restaurant’s wine list boasts a good selection of wines from different countries and includes some Ukrainian wines while the bar near the entrance serves a selection of cocktails.

The bill was much higher than we expected (about £50 / 500 UAH more) but we discovered our waitress had forgotten that we had the set lunch menus and had calculated each dish separately. This was quickly resolved with apologies from the manager.

Overall the traditional Ukrainian dishes tasted nice and the service was friendly. The atmosphere was a bit too pretentious for our liking though, as the decor did not match the cuisine, and the prices were too high for hearty Ukrainian food.



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How Capitalism Was Built,
by Anders Åslund
Publisher: Cambridge University Press,
August 2007,
384 pp. ISBN Paper 978-0-52168-382-1

by **Cassandra Hancock**

How Capitalism Was Built

The Transformation of Central and Eastern
Europe, Russia, and Central Asia

How Capitalism Was Built tells the story of how the former communist countries in East and Central Europe, Russia, and Central Asia became market economies from 1989 to 2006. It discusses preconditions, political breakthroughs, and alternative reform programmes.

Three major chapters deal with the deregulation of prices and trade, price stabilisation, and privatisation. Early radical reform made output decline the least. Social developments have been perplexing but mixed.

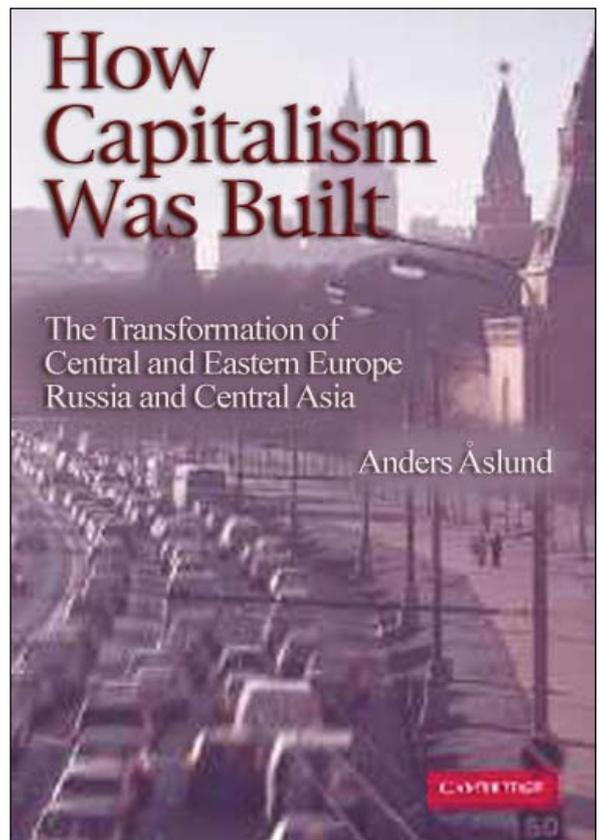
The building of democracy and the establishment of the rule of law have been far less successful. International assistance has been limited but helpful. This region has now become highly dynamic, but corruption remains problematic.

Shift to Free Market

Following the success of his 2002 best seller, "Building Capitalism: The Transformation of the Former Soviet Bloc", Anders Åslund's sequel offers another profound breakdown of the shift from socialist to free market economies in Central and Eastern Europe, Russia and Central Asia.

Åslund is undoubtedly best known for predicting the fall of the Soviet Union in 1989 (Gorbachev's Struggle for Economic Reform) and Russia's forced adjustment to the world market following the 1998 financial crisis. Through his past roles as economic adviser to the Russian, Ukrainian and Kyrgyz governments, Åslund takes the reader on a rare journey through governments' economic strategy and crisis resolution as experienced from the inside.

No stranger to controversy, Åslund's latest daring analysis centres on local oligarchs and the international community. Despite oligarchs' initial "rent-seeker" tactics of profiting from foreign trade arbitrage, Åslund praises their rationality, skill and courage in reviving Soviet institutions synonymous



with accumulating negative added value. Although he acknowledges foreign investors' financial consultancy skills, Åslund presents a damning analysis of the European Union's limited financial aid during the early stages of reform for having further prolonged democratic breakthrough. Despite his opinion that the EU's model of a "normal" society has indirectly prompted Central Europe's current welfare trap, his lack of discussion over how this occurred and what indeed constitutes "normal" does call into question his argument's validity.

Åslund's review of the region is a clear and boldly written analysis. His conclusions are based on the accurate presentation of statistics that are easily understood by the lay reader, yet which also add to the growing academic literature around this subject. His fresh summary of the last fifteen years once again challenges the stereotype surrounding the region, and rightly deserves the accolade of being one of his finest works to date.

About the Author

Anders Åslund foresaw the collapse of the Soviet Union in his book *Gorbachev's Struggle for Economic Reform* (1989). After Russia's financial crisis of 1998, Åslund insisted that Russia had no choice but to adjust to the world market (*Building Capitalism*, 2002), although most observers declared the market economic experiment a failure.

His new book, *How Capitalism Was Built*, tells the story of how all but 3 of 21 former communist countries were transformed into market economies from 1989 to 2007, with less than half of them becoming democracies.

Anders Åslund is a leading specialist on post communist economic transformation with more than 30 years of experience in the field. The author of seven books, he has also worked as an economic advisor to the Russian and Ukrainian governments, and to the President of the Kyrgyz Republic.

He has been a senior fellow at the Peterson Institute for International Economics since 2006. Before that he was the director of the Russian and Eurasian Programme at the Carnegie Endowment for International Peace. Born in Sweden, he served as a Swedish diplomat and earned his PhD from Oxford University.

Real Estate

Direct Purchase of Land for Industrial Usage

Kyiv-Svatoshynsky district, village Mykhaylivska Rubezhivka. 100 hectares. Agricultural use. Access to gas & electricity. There is a factory Ukrpektin in the village. Construction of high-rise houses are in progress. The village is surrounded by forest from all 4 sides; there are 4 lakes in its territory. Value: \$1500-2000 for 100m² without intended use change; intended use change increases the value for \$ 500 for each 100m² - General value: \$ 15-20 mn for 100 hectares without intended use change. General value: \$20-25 mn for 100 hectares with intended use change

Direct Purchase of Land for Industrial Usage

Kobtsy, Industrial Hub Kalynivka-II, Kyiv oblast Three plots (sq: 5 hectares, 5 hectares, and 2.5 hectares - total area 12.5 hectares), Infrastructure: road Kyiv-Odessa (15 km from Kyiv), railroad is adjacent to the grounds. A bitumen plant & asphalt plant are near the sites. Value: \$ 18.75 mn for 12.5 hectares.

Direct Purchase of Land for Industrial Usage

Kyiv-Svatoshynsky district, Romanivka village. Belongs to Irpin' city administration. Land: 9.2 hectares Gas & electricity supply available. Value: \$ 4,500/100m² Value: \$ 4.140 mn for 9.2 hectares

Direct Purchase of Land for Industrial Usage

Village of Mizhvodne, 200 hectares of ground lots (in agricultural industry with a possibility to change intended use) 6 hectares each. Infrastructure: gas, electricity, road connection, airport for small private planes (situated on the road between Chornomorske & Mizhvodne) Value: \$ 1000 for 100m² with change of intended use Value: \$ 700 for 100m² without change of intended use. General value: \$ 20 mn for 200 hectares with intended use change. General value: \$ 14 mn for 200 hectares without change of intended use

Direct Purchase of Land for Industrial Usage

Kyiv-Svatoshynsky district, Bucha city. Land lot of 2 hectares near industrial railway station. Access to gas & electricity. Value: \$ 5500 for 100m² with change of intended use. General value: \$ 1.1 mn for 2 hectares with change of intended use

Joint Ventures & Investment Partners

Joint Venture in Biodiesel. Ukrainian producer of biodiesel with its own proprietary technology for conversion of cereal oil crops to biodiesel fuel is looking for some €30 million spread over 3-5 years in order to help them to expand faster than they are able to do within own resources. They prefer to raise private equity rather than seek a public listing in order to maintain flexibility and greater management control over the strategy and direction of the

company. The successful partner would also have the opportunity to work with them to help develop the export potential of their technology and equipment for sale in other CIS markets, notably Kazakhstan.

Pokrovskaiia Mining Investment. Ukrainian Coal Mining enterprise looks for an investment partner to increase coal mining capacity, and construct new mines in Pokrovskaiia area.

Business Opportunities

Investment Opportunity: VIP Apartment blocks in Sevastopol. Plot of land 0.9837 hectares - Area of building: 8895.5 m² - Number of buildings: 2 Total capital required: US\$ 45-50 mn

Investment Opportunity: Trade Centre in Sevastopol. 1,5 hect (pos. up to 3 hect) 28,000 m² US\$ 12-20 mn

Investment Opportunity: Car selling & maintenance Centre in Sevastopol. 0.6 hect - 5.663 m² - US\$ 3.0 mn

Investment Opportunity: SPA Centre in Sevastopol - 0.3 hect - 4,000 m² - US\$ 3 mn

Investment Project: WATER SUPPLY, DRAIN AND WASTE MANAGEMENT INFRASTRUCTURE DEVELOPMENT IN HORODOK CITY, LVIV REGION

The project foresees establishing water supply, drain and household waste management monitoring point in Horodok city as well as reconstruction and construction of cleaning structures in Horodok city, Komarno city and Lubin' village. At the latest stage of works there will be information-monitoring system established for water resources conditions control on trans-border territories. The project would positively influence trans-border cooperation, economic development of the district and, as result, general quality of life. The project corresponds to the Ukraine's law "On trans-border cooperation" and Priority Programme on socio-economic and cultural development of Horodok city. Implementation of the water supply and drain as well as household waste management will help align water standards to EC Water Framework Directive. Project realisation - end 2010.

For more information regarding any of these business opportunities, or to advertise in this section, please email our Kyiv Secretariat at: classifieds@britishukrainiansociety.org



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Russian revolution of 1917 to 1921 and resisted Ukrainian nationalists, the Bolsheviks and the royalist White Guards.

The film's producers promised it would be the first truthful film about Makhno and would pay tribute to the man who was traditionally the bad guy in Soviet films.

UNUSUAL VACATIONS

Ukraine features in the 30 top tourist destinations in the Lonely Planet BlueList for 2008.

This latest guide is for those who prefer something different when it comes to holidays, and judging by sales over the past three years is fast becoming a must-have for those interested in unusual vacations.



manager, Jose Mourinho, was not happy to have outsiders working with his players, but with his departure the coaching has moved to the club grounds.



The 29 year old, who was nine when the Chernobyl disaster occurred a few miles from his village, played for AC Milan from 1999 to 2006. He won the 2004 European Footballer of the Year award.

He began his sporting life as a boxer but because of his size moved onto football and was quickly signed up by Dynamo Kyiv with whom he won five consecutive domestic league titles before moving onto Milan. He joined Chelsea in 2006.

HIT TV SERIES

A 12 part series about a Ukraine anarchist has proved to be a huge hit on Russian TV, much to the surprise of the makers.

"The Nine Lives of Nestor Makhno" was filmed in Ukraine about two years



The 30 top destinations are mainly in areas of the world that are only now becoming more accessible to visitors either because they have been declared safe or because of political change.

As a result Chernobyl, the site of the world's best known and tragic nuclear accident is on the list.

The British authorities warn that it is safe to visit provided you stay outside the exclusion zone.

REMOTE PUB

Britain's most remote pub has won a tourism award being named "Best Visitor Experience" for 2007, despite being accessible only on foot or by boat.

The pub's owners, Ian and Jackie Robertson, have been marketing their pub, the Old Forge in Inverness in Scotland's north-east.

They find that the 18-mile hike across hills and moors, or a seven-mile sea crossing has not stopped customers from turning up for a drink.

Their pub has won it's place in the Guinness Book of Records as the "most remote" and the award was made by the Highlands and Islands Tourism Awards. The pub's owners hope these acknowledgements will increase their profile and their customers.

SPRINTER & STRIKER

ago but only appeared on Russian TV a few months ago.

Russian's would only have heard of the Ukrainian as the "bad guy" in the past but even before the series hit their screens pirated DVDs and even a two-volume script of the film were selling well.

Makhno and the makhnovshchina – the popular libertarian peasant movement in Ukraine – took place during the

Top British sprinter Darren Campbell has been working with Chelsea's Andriy Shevchenko to increase his speed on the pitch.

Andriy is Europe's second highest scorer of all time in European club competitions, but is anxious to show that he can still make an impact with his Stamford Bridge team.

Initially Darren worked with Andriy on the Ukrainian's tennis court as former

Your comments and letters to: letters@britishukrainiansociety.org

C'est
Moi!

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